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Japan

Government Deregulations Plans Examined

Murayama Promises 'Firm' Plan

OW1703121795 Tokyo MAINICHI SHIMBUN in Japanese 17 Mar 95 Morning Edition p 2

[FBIS Translated Text] Referring to a five-year plan for the relaxation of regulations that the government plans to draw up by the end of March, Prime Minister Tomiichi Murayama stated on the afternoon of 16 March: "My government now intends to draw up a firm five-year plan. I have already instructed cabinet ministers in charge of shaping the plan to work out a five-year plan for the relaxation of regulations that can be applauded by other nations." U.S. Trade Representative Mickey Kantor said, "I am disappointed" with the interim report on the relaxation of regulations, and the prime minister made the statement in response to Kantor's comment on the interim report.

Additional Measures Adopted

OW1703111895 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Mar 95 Morning Edition p 5

[FBIS Translated Text] The government has decided to expand the range of deregulation measures before drawing up its "five-year deregulation promotion plan" by the end of March. The decision was made in response to criticism from foreign countries and domestic industries that the deregulation scheme shown in the government's interim report released on 10 March was insufficient. On 16 March the government decided to add 10 or more measures to the deregulation plan. They include promoting the conversion of unused farmland to residential property, relaxing upper limits on the rate of building volume allowed on a lot, and lowering the Labor Ministry-set minimum annual interest rate (of 6 percent) on employees' deposits with companies. Each ministry and agency will put forward additional deregulation items by the end of next week. The government will finalize the deregulation plan at a cabinet meeting on 31 March.

In response to a strong demand from industry for the effective use of farmland, the Ministry of Agriculture, Forestry, and Fisheries plans to promote the conversion of unused farmland in urban areas to residential property. Up until now, the ministry has restricted the conversion in accordance with the Farmland Law. By June it will survey unused farmland and work out specific measures to facilitate the conversion.

The Construction Ministry is to ease upper limits on the ratio of total floor area to land size. The current law limits building volume to 1.75 times the lot on which it is constructed if the building is furnished with a park or grass. The ministry intends to relax such limits by the end of FY95. To what extent the limits should be relaxed will be studied from now on.

The Transport Ministry plans to allow trucking firms and taxi and bus operators to use leased vehicles. At present, a company which has operated for less than three years is not allowed to use leased vehicles. The ministry is to abolish this restriction in FY95. The abolishment is expected to make it easier for new companies with small funds to expand their business operations.

The Labor Ministry will cut the minimum interest rate on employees' deposits with companies, which currently stands at 6 percent per annum. It will set a new minimum rate in FY95 by adding a certain rate to an ordinary deposit rate.

The Health and Welfare Ministry will review the current system under which only municipality-designated plumbing shops are allowed to do plumbing work. Because municipalities operate the system based on differing rules, housing construction have called for the review of the system. The ministry will soon inaugurate a research committee comprising corporate representatives and intellectuals to study ways to standardize the rules.

The Ministry of International Trade and Industry plans to review the system of checking coal imports before actual imports. The system has been established to grasp the trend of the imports of foreign coal, a rival to domestic coal. However, trading firms have claimed that "the system is an obstacle to coal imports."

Most of the additional measures were referred to in the interim report as items "under discussion." The government now "plans to implement these measures."

There were strong requests for removing government controls on the prices of agricultural products and abolishing the Large-Scale Retail Store Law, but these items will likely remain untouched.

Murayama Facing Economic, Diplomatic Problems

OW1703114395 Tokyo NIHON KEIZAI SHIMBUN in Japanese 13 Mar 95 Morning Edition p 2

[FBIS Translated Text] Prime Minister Tomiichi Murayama, who has just come back from the UN social development summit, will now concentrate his utmost efforts on resolving various problems that he is expected to settle by the end of this month. These problems include compilation of a 5-year deregulation program and streamlining of government-affiliated financial organs. However, Murayama's leadership in his handling of the rising yen has been seriously questioned. In addition, during Murayama's talks with ROK President Kim Yong-sam, President Kim expressed his concern and displeasure with the Diet's war-renunciation resolution, and the plan to dispatch a joint delegation of ruling parties to the DPRK (North Korea). At present, the ruling parties are facing difficulties in coordinating on these issues. Since Murayama is faced with difficult problems in his two weak fields, economy and diplomacy, it is likely that he will hardly have breathing room for some time to come.

Within the government and the ruling coalition there is an accelerated move toward groping for measures to deal with the yen's appreciation. Underlying this move is the concern over the possibility that, "if the present situation is left unabated, it could give the impression both at home and abroad that the Murayama administration is weak in resolving economic issues."

Following the recent Great Hanshin Quake, Prime Minister Murayama will probably be questioned about his ability to tide over a crisis. The Murayama administration has so far enjoyed a relatively high support rate because the people have voiced their hopes for political stability and economic recovery. Therefore, if his government should fail to work out effective measures to deal with the yen's appreciation, moves within the ruling parties and in light of paving the way for the "post-Murayama" administration could accelerate.

On 8 March, the eve of Murayama's departure for the UN social development summit, he held an emergency meeting with former Prime Ministers Kiichi Miyazawa and Noboru Takeshita to seek their advice about measures to deal with the yen issue. With Deputy Prime Minister Yohei Kono acting as a go-between, Murayama hurriedly went back and forth between the Prime Minister's official residence and a Tokyo hotel twice even without taking meals from evening till night. This clearly indicates that he is now "compelled to act by forces beyond his control" (as stated by one of his aides).

One of the prime minister's headaches is the problem connected with the yen's appreciation. Another headache concerns the possibility that the move toward opposing the war-renunciation declaration noted among members of the Liberal Democratic Party [LDP] may develop into a diplomatic issue between Japan and the ROK. At a meeting held in Copenhagen on 10 March with a group of reporters accompanying him, Prime Minister Murayama touched on the war-renunciation declaration, and stressed: "I would like to make positive efforts to work out a consensus." His remarks indicate his intention to start coordination on this issue among the ruling parties.

However, there is a great difference between the intention of the LDP and that of the Social Democratic Party of Japan [SDPJ]. SDPJ wants to have the war-renunciation declaration, in which Japan's apologies for the past war will be included, adopted before the end of the current Diet session, but the LDP wants to postpone the adoption of the declaration until the next extraordinary Diet session and furthermore adopt a "peace declaration," which stresses Japan's determination to pursue peace.

In case of dispatching a ruling coalition delegation to the DPRK, it will be necessary to coordinate on the plan to deal with the statement on "post-war compensation" as stated in the joint declaration issued by the LDP, SDPJ, and the Workers Party of Korea in 1990. Nevertheless, since this issue involves differences between the outlook on history held by the LDP and that held by the SDPJ, difficulty can be expected in coordination efforts. The prime minister has so far tried to manage the government on the basis of a delicate balance between LDP and SDPJ forces. In this context and as far as the prime minister is concerned, both the issue on the war-renunciation resolution and the one on the Japan-DPRK negotiations have the potential to shake the foundation of the current administration.

FTC Suggests Study on International Contracts

OW1503145295 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Mar 95 Morning Edition p 1

[FBIS Translated Text] The content of what the Fair Trade Commission [FTC] wants to have included in the government deregulation promotion plan was disclosed on 9 March. It suggests a study on eliminating or simplifying reports on "international contracts" concluded in Japan with foreign companies such as those for joint venture projects. The 10-item proposal also suggests: 1) basically abolishing by 1998 the cartel system to which the Antimonopoly Law does not apply; and 2) excluding small businesses from the requirements to report on corporate mergers and business right transfers.

It, however, does not propose abolishing restrictions on holding companies as sought by the Ministry of International Trade and Industry [MITI] as well as the industry. The FTC considers it to be too early to do that. Essentially, the FTC wants to ease regulations on businesses' international dealings and regulations on corporate mergers within the country, while strengthening the functions of the FTC in watching against and uncovering violations of the Antimonopoly Law.

The FTC rules at present require reporting on all contracts for joint venture cooperation with foreign companies, exclusionary agency arrangements with foreign companies, and technology transfers from foreign companies. The proposed study on abolishing or simplifying the reporting requirements on such international contracts stems from the demand from other countries, which do not have such a system, like the United States. These countries insist "it is unfair to obligate reporting only on business projects with foreign companies."

But if these requirements in fact are eliminated, it might become impossible to prevent violations of the Antimonopoly Law from happening in advance, thus in turn making it possible for the acts of impeding sales of competitive products to go unchecked, for instance. As such, the commission will study the scope of deregulation to be enforced and the time for enforcing it, while taking care to strengthen the system of investigating violations of the law.

The FTC wants to revise the current system requiring reporting on business mergers and transfers in a way to exclude small-asset businesses from such obligations as filing reports to the commission. The FTC in February last year did simplify the system of reporting on mergers between businesses of less than 10 billion yen in assets, but that meant no change in the fact that the companies have to come to the FTC to make their reports. Consequently, complaints arose, saying that as far as the small businesses are concerned, they should be excluded from the reporting requirements altogether.

As for the issue of the cartel system now exempt from the application of the Antimonopoly Law, there already is a policy on abolishing it. What the FTC really wants to do is to specify in the deregulation plan that it needs to be done "during 1998." A typical example of the cartel-like practices exempt from the application of the law is the procedure of setting barber shops' charges and hours of operation. There are 67 such practices recognized at present, and the FTC wants to work on ministries and agencies concerned to stop recognizing such cartel-like practices which restrain competition among the businesses, thus impeding the efforts for industrial rationalization.

Meanwhile, in the area of strengthening the FTC's functions, the commission will study the idea of having a "general secretariat" to serve it—similar to one serving the National Personnel Authority [of the Prime Minister's Office]—and about increasing the number of investigators drastically. The commission currently has a secretariat, but wants to upgrade the position of secretariat chief to that of secretary general, and the positions of departments to bureaus. As far as the number of investigators is concerned, in view of the fact that the United States wants it increased by 200 within three years, the ruling parties are now thinking about increasing it by 200 over a period of about five years.

The FTC will make final adjustment of views based on the inclusion of ideas of government offices concerned these points in the deregulation promotion plan which is due be finalized by the government by the end of this month.

Keidanren To Press Government on Deregulation

OW1603131595 Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 Mar 95 Morning Edition p 5

[FBIS Translated Text] Keidanren [Japan Federation of Economic Organizations] has found that the interim deregulation reports recently issued by government offices have satisfied only 30 percent of industry's deregulation requests. According to the business group, the planned deregulation does not include the removal of government controls on the prices of agricultural products and the gradual scrapping of the Large-Scale Retail Store Law, a measure that would help narrow price gaps between Japan and abroad. Keidanren intends to press the government to include in the five-year deregulation plan to be formulated by the end of March the following deregulation steps: 1) Abolishing the Large-Scale Retail Store Law; 2) opening liquor and tobacco markets; 3) removing government controls on agricultural goods prices; 4) lifting ban on establishing holding companies; and 5) deregulating fund-raising.

Keidanren has found that only 140 of 456 deregulation items it listed last November were incorporated in the interim reports. They include the easing of government controls on rice distribution, the Health and Welfare Ministry's food sanitation regulations, the National Policy Agency's controls on antique dealings, and the Fair Trade Commission's rules on gifts delivery and acceptance.

Concerning the remaining items, the government remains unclear about when it will deregulate, or it is reluctant to deregulate them.

The group has a particular concern about the government's failure to clarify the timing of abolishing the Large-Scale Retail Store Law, reviewing the telecommunications frequency allocation system, and opening liquor and tobacco markets. The interim reports note that these deregulatory measures "will be studied from mid-term viewpoints." Keidanren is to urge the government to clarify the timing of carrying out these steps. It will also press the government to remove controls on agricultural goods prices and lift ban on establishing holding companies. The interim reports say "it is difficult" to implement these deregulatory measures.

Tokyo To Seek G-7 Action on Exchange Rates

OW1703021695 Tokyo KYODO in English 0154 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—Japan will ask other Group of Seven (G-7) industrial nations to take appropriate action to check the yen's rise against the dollar at a meeting in April, Finance Minister Masayoshi Takemura said Friday [17 March].

Takemura said at a press conference after a regular cabinet meeting, "we are taking the present currency situation much more seriously ... I wish to tell them (G-7 partners) clearly (what needs to be done)."

Referring to the April G-7 meeting of financial officials, Takemura pointed to the need for specific policy cooperation by each nation to stop the dollar's further fall against the yen and the German mark.

"Considering the currency issue as a whole, there are various (possible) measures," Takemura said.

Takemura indirectly asked the United States for further efforts to reduce trade deficits, saying, "not only interest rates but also trade and deregulation, which are on Japan's side, are among issues to be discussed."

"The point is to carry out the measures," he said. "So we should continue making contact and exchanging views with each other in advance."

Australian Minister Bilney on High Yen, ODA

OW1703054395 Tokyo KYODO in English 0507 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—The yen's rise is a golden opportunity for Australian companies to tender for contracts funded by Japan's Official Development Assistance (ODA) in the Asian region, an Australian government minister said in Tokyo on Friday [17 March].

Gordon Bilney, Australia's minister for development cooperation and Pacific island affairs, told a press briefing that Japan's ODA program is now an attractive target for Australian companies.

The figure is now the highest in the world and is projected to reach 1,106.1 billion yen (12.32 billion dollars at current rates) in fiscal 1995 which begins April 1.

Bilney said Australian companies supplying education, engineering, waste management, systems design, and consulting and health services, stand to benefit most from Japanese ODA money to the Asian region.

But Bilney said few Australian companies are as yet aware of the opportunities provided by the Japanese Government's opening of its ODA market to overseas competition.

Bilney said the Australian Government's trade and aid arms, Austrade and Ausaid, will stage seminars for companies interested in the Japanese-funded ODA market, in Sydney and Melbourne, in April, at which experts from Japan's main ODA-providing organizations will speak.

He said that although many Japanese companies traditionally tender for projects backed by Japan's ODA money, they are increasingly less successful in winning the tenders because of the rising yen.

Saying political parties are under various restrictions over the use of public subsidies, Mori said political donations are still necessary to help make their financial conditions sound.

In 1995, the LDP can receive up to 13.1 billion yen from the state. The laws stipulate that a party can receive as public subsidies for a new year an amount equal to up to two-thirds of its income in the previous year.

Hashimoto Urges Utmost Effort on Exchange Rates

OW1703015495 Tokyo KYODO in English 0136 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—International Trade and Industry Minister Ryutaro Hashimoto on Friday [17 March] urged monetary authorities to make "desperate" efforts to arrest the yen's unrelenting advance against the U.S. dollar.

"I want the Finance Ministry to make further and desperate efforts to return yen-dollar exchange rates to normal levels," Hashimoto told a news conference.

Hashimoto made the remark following the release of survey results that showed serious negative effects from the strong yen on small export-oriented companies.

The U.S. currency slipped below 90 yen again Thursday.

The Ministry of International Trade and Industry (MITI) conducted the survey on March 8, the day after the dollar sank below 90 yen for the first time.

According to the survey, released Thursday, 25 percent of polled firms answered there are no effective steps they can take to cope with the recent yen-dollar exchange rate levels.

"The finding was shocking," said Hashimoto.

The survey also revealed that no company reported completely avoiding the negative effects from the yen's surge some companies said they experienced no harm from the high yen in the previous survey, conducted in FY 1994 shortly after the dollar fell below 100 yen for the first time.

Hashimoto said this shows the increased severity of the latest yen rise for Japanese corporations.

"The dollar's slip from 90 yen is qualitatively totally different from its sinking below 100 yen," Hashimoto said.

He said small companies have redoubled cost-cutting efforts in the past year to deal with successive rounds of yen rises.

"But such efforts are not being accurately reflected in the exchange rates."

Central Bank's Easy Money Policy Unchanged

OW1703080695 Tokyo KYODO in English 0706 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—The Bank of Japan (BOJ) will maintain its easy credit policy despite the yen's renewed surge against the dollar, BOJ Governor Yasuo Matsushita said Friday [17 March].

"The BOJ's main scenario on money policy is to keep its current soft grip for the time being," Matsushita said in a speech.

But he added that the policy is based on the assumption that the Japanese economy will follow "a moderate recovery course."

Matsushita said the dollar's recent decline against the yen is "excessive." "The current yen-dollar exchange rates are far from reflecting economic fundamentals."

But the central bank's credit policy is not to be determined just by currency factors, and should take into account various economic trends, he said.

Matsushita repeated his previous assessment that the economy is recovering moderately, but warned against excessive optimism, saying, "no sign of accelerating upward momentum is seen anywhere in Japan's economic scene."

Matsushita said that although the energy of the economic recovery may not be quenched by the Jan. 17 earthquake, not a few unclear factors remain in the economic outlook.

He said public and housing investment have continued to support the economy, private consumption is broadly on a gradual trend to recovery, and the decline in corporate capital spending showed clearer signs of stopping.

Production has returned to its level before the quake, companies' profits are on a recovery path and corporate sentiment is slowly continuing to improve as a whole, Matsushita said.

However, he said the pace of the economic recovery remains much slower than in the past as companies, especially smaller businesses, are still cautious about capital investment because of lack of confidence in future economic growth.

As one of the factors checking economic growth, Matsushita cited pressure for structural adjustment amid intensifying international competition, especially within emerging markets.

Under such circumstances, Matsushita to some extent welcomed so-called "price destruction" or the downtrend in sales prices, saying, "much higher domestic prices should be corrected as Japan's economy is increasingly opened to overseas."

While admitting that lower prices have heavily weighed on nonmanufacturers over the short term, Matsushita said the trend can contribute to future economic growth from a long-term point of view by helping to improve the productivity of nonmakers, notably the telecommunication and medical welfare sectors for which there is great potential demand, as well as by stimulating innovation.

Matsushita said the effects on the economy of "hollowing out," or shifting production bases overseas, are somewhat exaggerated.

Direct investment into east Asian nations has so far contributed to increases in domestic industrial production by inducing exports from Japan of capital goods and precision parts, Matsushita said.

Regarding the controversial bailout of two ailing credit unions, Matsushita reiterated that the scheme aims to avoid a chain reaction of credit insecurity, or "systemic risk," and then to maintain a stable financial system.

The central bank's investment in the scheme is indispensable because self-reconstruction of the two credit unions is utterly impossible and no financier could be found to rescue them through a merger, Matsushita said.

In order to prevent failure of financial institutions, the central bank will make efforts to detect problems at an early stage and take appropriate action as quickly as possible, he said.

Matsushita also pointed to the need for further deregulation, stronger risk management by lenders and improvement in the infrastructure for monetary deals, including accounting systems.

Noting the globalization of the world economy, Matsushita stressed the importance of stabilizing market expectations for sustained noninflationary growth, as well as of international cooperation in risk management to ensure stable financial systems.

Toyoda Comments on Effects of Rising Yen

OW1603143595 Tokyo ASAHI SHIMBUN In Japanese 15 Mar 95 Morning Edition p 13

[Interview with Shoichiro Toyoda, chairman of the Federation of Economic Organizations of Japan, by ASAHI SHIMBUN; place and date not given—first paragraph is ASAHI SHIMBUN introduction]

[FBIS Translated Text] Shoichiro Toyoda expressed a strong sense of crisis over the yen's sharp rise against the dollar by saying: "Japan is being forced to rebuild its industrial structure." In the interview he also pointed out that the urgent tasks facing Japan are to further promote the principles of competition by relaxing regulations and opening its market, to create new industries, including venture enterprises, and to develop creative human resources.

[ASAHI SHIMBUN] The yen has appreciated sharply recently, but the United States, Germany and major industrial nations are pursing inward-looking policies by simply hoping for currency stability in North America and the European Union (EU). What is your comment?

[Toyoda] The dollar is rising against the Canadian dollar. The dollar remains weak against the yen and the mark, but it is still strong against other major currencies. The United States does not care about the appreciation against the yen. Germany feels Europe is its priority and the weak dollar is a secondary issue. However, confidence in the dollar as a key currency has been shaken, and I am concerned about this.

Price Differences Between Japan and Other Nations

[ASAHI SHIMBUN] Some take the view the yen's real value is about 150 to the dollar. What do you think?

[Toyoda] The price differences between Japan and other nations are an issue. Some industries, which are protected by regulation, would be unable to compete internationally even if the yen depreciated to the level of 200 to the dollar. The government should narrow the price differentials between Japan and other nations by abolishing regulations that impede the access of foreign goods to the Japanese market.

[ASAHI SHIMBUN] Toyota Motor Corporation and other manufacturing industries, in an attempt to regain their competitiveness, have overcome various difficulties arising from the appreciation of the yen and streamlined their management. Nonetheless, their regained competitiveness has recently triggered another sharp rise in the yen's value against the dollar.

[Toyoda] That is inevitable. If each industry is permitted to compete against the others, the yen would depreciate to the level of 150 to the dollar. This situation could bring about industrial decline, as happened in Britain.

[ASAHI SHIMBUN] At the time when the yen began appreciating following the 1985 Plaza Agreement, you repeatedly said that, as the president of Toyota Motor Corporation, you would not allow the appreciation of the yen to hollow out the corporation.

[Toyoda] While Japanese manufacturing industry is presently making 8 percent of its goods overseas, U.S. manufacturing industry is making 20-30 percent of its goods overseas. If the yen continues to appreciate at its recent pace, it would certainly put some Japanese industries out of business.

Politics That Does Not Depend on Bureaucrats

[ASAHI SHIMBUN] In the United States, where the hollowing out of manufacturing industry occurred before it did in Japan, the banking, service, and distribution industries took in the labor force made redundant in the wake of the hollowing out. What do you think?

[Toyoda] In Japan, the number of enterprises registering themselves with the over-the-counter market has been growing thanks to the relaxation of regulations. It is important that financial circles foster venture businesses by investing in them. Big business needs entrepreneurship.

Our nation should hasten the development of creative human resources. If we continue to concentrate developing people talented only at memorizing, as we did in the past, in an attempt to catch up with and surpass other industrial nations, this will contribute nothing to creating new industries.

[ASAHI SHIMBUN] Japanese economic policies and systems need to be fundamentally reviewed. What are your views?

[Toyoda] To cite an example, there is a public investment plan that calls for the investment of 630 trillion yen by the year 2004. I cannot understand why the government has not taken bold steps to front-load public investment. Japan is too slow in getting things done. If Japan does not change, it will lag behind other Asian nations that are full of vitality. Japanese politics must be stronger and not rely on bureaucrats to shape policy.

Industry Calls for Foreign Exchange Target Zone

OW1703065495 Tokyo KYODO in English 0629 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—The head of Japan's Electronics Industry Association called Friday [17 March] for a target zone to be set for foreign exchange in order to stabilize the currency market.

Tadahiro Sekimoto, president of the Electronic Industries Association of Japan, said the yen's appreciation will not help reduce Japan's foreign trade surplus.

It will be U.S. industry which will suffer from a decrease in Japanese exports, he said, adding that the yen's recent rise stems from speculative trading, with Japan's trade surplus as a pretext.

Sekimoto, who is chairman of major electronics maker NEC Corp., warned that the dollar's weakness will cause global monetary instability.

Commenting on a proposal that Japanese manufacturers should raise export prices to check the yen's further rise, Sekimoto said semiconductor manufacturers are making such efforts along with automobile manufacturers.

The proposal was made earlier this month by Kazuo Inamoto, chairman of Kyocera Corp. and chairman of the Kyoto Chamber of Commerce and Industry.

Partial Lifting of ODA Curb to Burma Approved

OW1703031795 Tokyo KYODO in English 0256 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—The cabinet Friday [17 March] approved a proposal to partially lift curbs on Japan's Official Development Assistance (ODA) to Myanmar [Burma] by giving it 1 billion yen to help increase food production, government officials said.

The freeze on ODA disbursements to Myanmar has been in place since the military junta grabbed power in a coup in 1988.

The decision by the government of Prime Minister Tomiichi Murayama to soften the restriction was made in view of the release of some political prisoners from jails and some efforts by the junta to reconcile with pro-democracy dissidents, the officials said.

The aid will be used to finance the purchase of fertilizers and agricultural machinery to help boost food production for the nation's ethnic minority groups, they said.

The officials said they hope such aid will encourage the military rulers to release pro-democracy leader Aung San Suu Kyi, who has been under house arrest since July 1989.

During an informal gathering of ministers after the regular cabinet meeting, Finance Minister Masayoshi Takemura asked Foreign Minister Yohei Kono for his views on the resumption of ODA to Myanmar.

Kono replied, "this aid is our attempt to convey a message asking the nation to make further efforts to realize democracy."

MOFA To Clarify Stand on Spratly Dispute

OW1603133495 Tokyo SANKEI SHIMBUN in Japanese 15 Mar 95 Morning Edition p 2

[FBIS Translated Text] The Ministry of Foreign Affairs [MOFA] is having a problem handling a dispute between China and Southeast Asian nations over the Nansha (Spratly) Islands. The dispute has recently worsened since China began construction on Mischief Reef, which is claimed by the Philippines. Prime Minister Tomiichi Murayama intended to express his concern during a meeting with Chinese Premier Li Peng in Copenhagen, Denmark; however, he could not refer to the topic because it seemed to be too complicated to bring up at the 20-minute talks. But the Spratly issue will certainly become one of the focal points at the ASEAN foreign ministerial talks and at the ASEAN Regional Forum (ARF) scheduled for July. Moreover, Japan should take a definite stance on the issue since the "Spratly" issue may eventually affect Japan-China discord over sovereignty of the "Senkaku Islands."

In preparation for the Japan-China summit, most government officials said "the prime minister should at least call for a peaceful settlement" of the Spratly dispute. Prime Minister Murayama first planned to touch on the issue, but it was his first meeting with Premier Li Peng, and only a short period of time was set aside for the meeting. After all, the topics in the 20-minute talks were limited to "the observance of the 1972 Japan-China Joint Communique as the mandatory topic for the new Japanese leader" (as noted by a MOFA source) and the urgent question of nuclear development by the DPRK (North Korea).

In a recent working-level talks, Japan has expressed its concern over "China's unilateral actions," but Chinese officials repeated that the facilities on the reef were just "shelters for fishermen."

MOFA is anxious about development of the issue. A senior MOFA official said, "If China accomplishes de facto sovereignty over the Spratly Islands, the Senkaku Islands may become the next target as the 1992 Territorial Sea Act of China claims the nation's sovereignty over Senkaku Islands."

* Editorial Views North-South Korea Division

952B0119A Tokyo ASAHI SHIMBUN in Japanese 6 Feb 95 p 5

[Editorial: "Considering 'Responsibility' for the North-South Division"]

[FBIS Translated Text] Prime Minister Tomiichi Murayama's reply to Diet interpellations concerning the North-South division of the Korean peninsula have been vacillating, now saying that Japan "is" responsible, now saying that it "is not," widening the ripples. Opposition has appeared in South Korea that "there is no veracity in the perception of history."

Since the prime minister's first reply was thus, "I believe that the Japanese people after all have some historical responsibility for today's unfortunate situation of (the Korean peninsula) being divided into North and South," there was the nuance of sympathetic concern about peace on the Korean peninsula.

The next day, however, he revised this. "What I said in my reply yesterday was responsibility for the circumstances which were brought historically by colonial domination of the past. No division was made by the Japanese Government, but was done among the victor nations. (omission) I would like to make clear that Japan has no responsibility on the point of it being divided into North and South."

The correction by the prime minister was the wish of the Ministry of Foreign Affairs [MOFA]. That is because of its view that "the division was created from the power relationship between the United States and Communist forces, and no responsibility lies with Japan, who did not participate." There probably was concern here that acknowledgement of responsibility would work as a disadvantage in negotiations with the Democratic People's Republic of Korea (North Korea) or a heavy cost burden would be demanded for North-South unification.

Indeed, it was the U.S.-Soviet fight for position that invited the North-South division, and the Korean war and cold war firmly fixed that. Those are different issues from Japan's intentions and acts, and Japan has no direct legal responsibility.

However, considering the reality of division, it is also impossible to omit the history that the Korean peninsula was a Japanese colony. The Korean peninsula which was attacked by the Soviet Union as it participated in the war against Japan was a part of "Japan" at the time.

It also has been pointed out that if Japan's surrender had been earlier, Soviet participation in the war would have been avoided and there would have been no North-South division. Apart from whether or not it is called "responsibility," there certainly was some cause-and-effect relationship.

When the prime minister first said, "There is some historical responsibility," it probably was from such a historical awareness. At a summit with U.S. President Clinton in July last year, the prime minister also mentioned "Japan's responsibility." He decidedly believes that he is not mistaken.

If he believed that his speech would invite misunderstanding, it would be sufficient if he warned that this "responsibility" is in a different dimension from direct legal responsibility. Stressing so much that "there is no responsibility" conversely only invites opposition.

A female former university student in South Korea has been heard to say that "The deep anti-Japanese feelings of South Korean youth are due to the conscription system."

The conscription system that forces them into the harsh days of military service is not confined to pain for the men, but also is a big problem for women who are torn from their lovers. Accordingly, young people think, "Why do we have to be exposed to such affliction?"

Again, considering the reality of division from that, they are struck by the thought that "Japanese colonial domination inherently was bad." Then, "that Japan profited from special procurement in the Korean war and, far from having a conscription system, they have no 'military' and aren't they enjoying 'peace' as if they had no connection at all with the North-South division?"

Though somewhat of a jump in logic, it is felt that it is well understood emotionally.

We decidedly have sympathetic concern about the tragic division separating the Korean peninsula. It is important to bear that in mind when one thing or another is considered about North and South Korea. The prime minister should talk of historical awareness with conviction and not prevaricate.

Envoy to KEDO Discusses Talks With DPRK

OW1703060695 Tokyo TOKYO SHIMBUN in Japanese 15 Mar 95 Morning Edition p 2

[Report on interview with Tetsuya Endo, Japanese envoy to the Korean Peninsular Energy Development Organization, by TOKYO SHIMBUN editorial staff member Tadahiko Nasa on 14 March; place not given; first paragraph is TOKYO SHIMBUN introduction]

[FBIS Translated Text] In connection with the issue of North Korea's suspected nuclear development, it has been decided that the U.S.-DPRK talks will start in Berlin on 25 March, the first time since the inauguration of the Korean Peninsula Energy Development Organization (KEDO), and now, attention has shifted to the forthcoming talks. In this connection, TOKYO SHIMBUN interviewed Tetsuya Endo, Japanese envoy to KEDO, on 14 March about the outlook of the issue and Japan's role.

In the interview, on the light water reactors to be supplied to North Korea, envoy Endo stressed "the ROK type is realistic and the only choice they can make." He then said "there are no measures except persistently persuading" North Korea, which is strongly opposed to the introduction of ROK-type reactors.

Asked what KEDO will do if Pyongyang stubbornly refuses to accept the ROK type, he said "it is necessary to grope to find something acceptable to North Korea," thus implying the possibility of taking a makeshift stand while firmly maintaining the policy of supplying ROK-type reactors. In addition, he stressed the necessity of conducting an on-the-spot survey as early as possible in Sinpo (South Hamgyong Province), where North Korea plans to build light water reactors.

In the interview, envoy Endo regarded the U.S.-DPRK talks, which start on 25 March, as "the last talks wherein the United States will represent KEDO" and disclosed that KEDO will negotiate directly with North Korea the next time.

North Korea has said that the deadline for concluding a contract for the supply of light-water reactors is 21 April, six months after the U.S.-DPRK accord reached last October, and that it will lift its freezing of a plan to build experimental nuclear reactors unless a contract is concluded by the deadline. Asked about this, envoy Endo pointed out "in terms of the words and phrases of the accord and the process of the negotiations, I would say 21 April is merely an objective," thus indicating his view that it would be no problem even if a contract is concluded after 21 April.

Referring to Japan's role, he said that "there are two areas of cooperation: financial and technical." As for technical cooperation, he indicated a positive stand for providing technical cooperation in ensuring safety, saying: "Technical cooperation in ensuring the safety of atomic power is Japan's strongest point."

Asked how the establishment of KEDO is related to Japan-DPRK negotiations on normalizing diplomatic relations, he expressed hopes to resume the Japan-DPRK negotiations, saying: "The nuclear issue is one of reasons for the suspension of the negotiations. The establishment of KEDO is a desirable step toward settling the nuclear issue and serves as a good factor in resuming the negotiations between Japan and North Korea.

MOFA Seeks Resumption of Talks With DPRK

OW1703151295 Tokyo ASAHI SHIMBUN in Japanese 16 Mar 95 Morning Edition p 3

[FBIS Translated Text] North Korea, which has been in contact with Japan behind the scenes since last year, recently invited a delegation of three ruling parties to visit Pyongyang. The Ministry of Foreign Affairs [MOFA] has drawn a conclusion, based on its analysis of the DPRK's motives, that the DPRK has increasingly taken a positive stance toward "dialogue" with Japan. A senior Foreign Ministry official says the ministry believes: "North Korea probably has the intention of resuming the stalled normalization talks." In the past, North Korea used a visit to Pyongyang by a joint delegation of the Liberal Democratic Party [LDP] and the Social Democratic Party of Japan [SDPJ] as an opportunity to open the way for holding the normalization talks with Japan. The Foreign Ministry takes the view that North Korea is taking the same method this time.

The Japan-North Korea normalization talks were broken off in November 1992. Yet, the Foreign Ministry has been in contact with North Korean officials in New York, Beijing and other places after the United States and North Korea reached a nuclear agreement in October last year. The Foreign Ministry has held a series of meetings with North Korean officials to feel out North Korea's "real intent", and one of the meetings has been attended by a Japanese politician from a ruling party.

A Foreign Ministry source takes the view that, as a visit to Pyongyang by a LDP-led delegation has become realistic, "North Korea has taken its aim at Japan from which it can easily wring money after putting relations with the United States on track." Although the Foreign Ministry has made no conspicuous moves, it has actually tried to send the delegation to Pyongyang in concert with the LDP.

The same Foreign Ministry official is of the opinion that "politicians can pave the way for resuming the stalled Japan-North Korea normalization talks." Yukata Kawashima, chief of the Asian Affairs Bureau, accompanied the LDP-SDPJ delegation on its visit to North Korea in 1990 when he served as councillor in the Foreign Ministry. The Foreign Ministry plans to make the "same rank" of diplomat accompany the delegation. The past delegation promised in a joint declaration that "Japan will compensate North Korea for World War II reparations" and the commitment became a political issue. The Foreign Ministry wants to avoid making such a commitment.

The Foreign Ministry finds it hard to deduce how serious North Korea is about resuming the stalled normalization talks with Japan. The same senior Foreign Ministry official says, "Even if the stalled normalization talks are resumed, we do know at all how the resumed talks will go." It remains uncertain whether or not a contract will be concluded between the Korea Energy Development Organization (KEDO) and North Korea on the supply of light-water reactors, and the Foreign Ministry is also concerned about who is in charge of North Korea. The same senior Foreign Ministry official says that even if Japan manages to resume the stalled normalization talks with North Korea, it will inevitably employ a long-term strategy under which it will proceed with the talks while giving consideration to South Korea.

Kono Rules Out Rice Shipments to North Korea

OW1703061395 Tokyo KYODO in English 0549 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—Foreign Minister Yohei Kono said Friday [17 March] that Japan would not be able to provide rice to North Korea if Pyongyang made such a request.

"I don't know at all" whether North Korea made such a request, Kono said in answering questions at a session of the House of Councillors Foreign Affairs Committee.

"Even if, for instance, public opinion in Japan came to favor such a move, it would be very difficult for us to provide assistance to a country with which we don't have diplomatic ties," he said.

Japanese media reported earlier this month that Pyongyang had asked Japan to supply rice.

Food Shortage Forces DPRK To Accept Mission

OW1703045295 Tokyo SANKEI SHIMBUN in Japanese 14 Mar 95 Morning Edition p 3

[FBIS Translated Text] The Ministry of Foreign Affairs [MOFA] has analyzed that the DPRK has shown eagerness to receive a delegation of members of the Japanese ruling coalition parties because the country now seems to be seeking a dialogue with Japan after its dialogue with the United States to overcome problems it is having with a critical food shortage and economic stagnation.

In a 13 March news conference, Administrative Vice Foreign Minister Kunihiko Saito commented on the DPRK's intentions, saying: "There seem to be reports of food shortages." Such remarks back a widespread notion that the DPRK has decided to welcome a delegation from the Japanese ruling coalition parties to request aid from Japan in the form of food. At the same time, it is believed that due to such matters as the promotion of a shift to a market economy and the unstable domestic situation in Russia and the PRC, the DPRK has become alienated from these two countries, even though it has had friendly relations with them in the past. As a result, "the DPRK has started to feel further isolation" (as stated by Saito).

Meanwhile, the DPRK has continued to hold talks with the United States in connection with its suspected development of nuclear arms. A senior MOFA official has given his analysis, saying: "The United States and DPRK are pausing for the time being over the Korean Nuclear Development Organization (KEDO) issue. Time is still not ripe for resuming South-North talks. When it is time, resuming talks with Japan would be next on the list for the DPRK."

Negotiations between Japan and the DPRK over normalizing diplomatic relations have been stalled since November 1992. The MOFA, which has tried to contact the DPRK through various diplomatic channels to resume negotiations, now says that it "feels the DPRK is changing." The ministry is keeping a close watch on how the DPRK visit by the ruling coalition parties' delegation will help in resuming the Japanese-DPRK negotiations.

Proposed Coalition Mission to DPRK Examined

Breakthrough Sought

OW1703092195 Tokyo KYODO in English 0833 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—The government hopes the three ruling coalition parties can send a joint mission to North Korea and help break the deadlock in normalization talks between Tokyo and Pyongyang, a spokesman said Friday [17 March].

"We hope a delegation by the three ruling parties will open the way for normalized relations between Japan and North Korea and contribute to peace and stability in Asia," Chief Cabinet Secretary Kozo Igarashi said at a news conference.

He also expressed hope Prime Minister Tomiichi Murayama's Social Democratic Party [of Japan] (SDP) [SDPJ] will narrow its differences with its coalition partners and join such a mission.

The government will closely watch the developments in talks within the coalition over the proposed dispatch of a delegation to North Korea, with which Japan has no diplomatic ties.

The Liberal Democratic Party, the dominant force in the tripartite coalition, has been active on the issue of sending a joint mission to North Korea.

But the SDPJ has balked at the proposal, citing Pyongyang's attitude toward a controversial joint declaration signed in 1990 by the LDP, the SDPJ and North Korea's ruling Workers Party of Korea.

The 1990 declaration called on Japan to apologize for its 1910-1945 colonial rule of the peninsula and pay North Korea compensation for its actions at that time "and for losses inflicted on the Korean people in the ensuing 45 years since the war."

SDPJ's Stance Editorialized

OW1703061495 Tokyo SANKEI SHIMBUN in Japanese 14 Mar 95 Morning Edition p 2

[Editorial: "Unreasonable Attempt To Send Delegation to DPRK"]

[FBIS Translated Text] The Social Democratic Party of Japan [SDPJ] is leaning toward not joining the ruling coalition parties' mission to the DPRK. The mission is expected to resume the Japan-DPRK governmental talks, which have been suspended for more than two years, for the normalization of diplomatic ties without imposing unreasonable conditions. But, the road ahead for the mission is rough.

The principles Japan has to maintain in dealing with North Korea are clear. Although Japan plans to contribute a large amount of money for conversion of North Korean reactors to light-water reactors, there is no complete guarantee that North Korea will actually give up its nuclear arms development project. North Korea should be well informed that Japan will not ease its watch over the nuclear program to prevent its financial cooperation from becoming a total waste. If Japan is going to make that kind of financial contribution, maintaining a posture of making no compromises in settling the fundamental issues that exist between Japan and the DPRK and other pending issues, including the so-called Yi Un-hae [Japanese woman allegedly abducted to North Korea] issue is a must.

Regarding the issue of "compensation," the most important issue, the SDPJ has excessively supported North Korea without regard to Japan's national interest. Unless the SDPJ changes this stand, it can be said that a trip by the three-party mission to the DPRK is an attempt to do something that is beyond its power.

On the strength of the irresponsible agreement, which the Kanemaru delegation to the DPRK signed in September 1990 (without approval from the Japanese Government), the SDPJ is strongly demanding that Japan should "compensate for 45 years of the postwar era."

At a lower house budget committee meeting on 30 January, Prime Minister Tomiichi Murayama answered a question on the division of the Korean Peninsula, saying "to some degree, 'Japan is to blame for this history.'" However, after discerning his position as prime minister Murayama withdrew his remarks the following day. The SDPJ members share the deep-rooted view that Japan should pay "compensation for the post-war years," because it is also responsible for the division.

This is a completely incorrect view. One of the reasons the SDPJ believes in holding Japan responsible for the North-South division is that Japan surrendered too late. However, although Japan had informed the allies of its acceptance of the Potsdam Declaration, the Soviet Union raided Manchuria and Soviet soldiers raped women and looted cities, and Stalin continued to entertain his ambition to invade Hokkaido even after the war had ended. The Soviet Union justified its acts, saying the declaration was not yet signed. It is not logical to say that the Soviet invasion would not have happened if Japan had surrendered earlier. It is undeniable that the Cold War is to blame for the division of the Korean Peninsula.

Second, the current division became firm because the fight between the UN forces, with the United States as the main power, and the Chinese military, which crossed the Yalu River and joined the Korean war in support of North Korea, came to a stalemate around the 38th parallel. Japan is not responsible for this war.

Measures like that of the SDPJ, which does not understand such historic and legal facts, are acting as obstacles to true mutual understanding in Japan and on the Korean Peninsula. It is important for us not to forget compassion for the Korean people and to have a historic understanding without preconceptions.

Kubo on SDPJ Participation

OW1703075695 Tokyo KYODO in English 0650 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—The Social Democratic Party [of Japan] (SDP) [SDPJ] will make a final decision on whether to join a proposed coalition mission to North Korea after scrutinizing the outcome of talks among the ruling parties, SDPJ Secretary General Wataru Kubo said Friday [17 March].

"I want to clarify the SDPJ's position on the dispatch of a mission in response to their results," Kubo said at a regular news conference.

Kubo, the No. 2 man in the SDPJ, a partner of the three-way coalition, said his party should confirm what role it can play by joining such a mission, noting the party has for the past 30 years striven to improve and normalize relations between Tokyo and Pyongyang.

He acknowledged that the dispatch of a coalition mission is "very important" to break the impasse in negotiations between Japan and North Korea for normalizing relations.

But he said, "I'm afraid our participation is extremely difficult at this stage."

Kubo spoke of the need for the three coalition parties to coordinate their views on the dispatch of a delegation to North Korea.

He also said the coalition should ask North Korea's ruling Workers Party of Korea (WPK) about whether a new joint declaration can be signed in place of one signed in 1990 by the WPK, the SDPJ and the Liberal Democratic Party (LDP), the dominant force of the current coalition.

The 1990 declaration called on Japan to apologize for its 1910-1945 colonial rule of the peninsula and pay North Korea compensation for its actions at that time "and for losses inflicted on the Korean people in the ensuing 45 years since the war."

Kubo said he has been trying to confirm Pyongyang's attitude toward the declaration through some special channels of the SDPJ.

Originally, the LDP proposed sending a joint coalition mission to North Korea for about three days from Thursday. But the party agreed to temporarily put off the dispatch in the face of the SDPJ's reluctance.

All the coalition parties—the SDPJ, the LDP and New Party Sakigake [Harbinger]—have received invitations from the WPK. But a North Korean source in Tokyo suggested Thursday that Pyongyang will not accept a mission organized by the LDP alone.

Chongnyon Group Comments on Mission to DPRK

OW1703143195 Tokyo KYODO in English 1343 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—Affirmation of a 1990 statement calling on Japan to compensate North Korea for wartime and postwar wrongs is not a prerequisite to the dispatch of a ruling coalition mission to Pyongyang, a senior official of a Korean residents group said Friday [17 March].

Kim Dae-hi, head of the international division of the pro- Pyongyang General Association of Korean Residents in Japan (Chongnyon), however, proposed that Tokyo and Pyongyang discuss how to implement the declaration.

Earlier Friday, the government expressed hopes the three ruling coalition parties can send a joint mission to North Korea in an attempt to unlock the impasse in negotiations to establish diplomatic relations between Tokyo and Pyongyang.

In 1990, members of the ruling Liberal Democratic Party (LDP), the then leading opposition Social Democratic Party [of Japan] (SDP) [SDPJ] and Pyongyang's Workers Party of Korea issued a declaration calling on Japan to apologize for its 1910-1945 colonial rule of the peninsula and pay North Korea compensation for colonial and postwar losses.

On Friday, Kim suggested to Yukio Hatoyama, a member of New Party Sakigake [Harbinger], that the document should be treated as a "historical fact" rather than being shelved or discarded for a new declaration as some members of the coalition are demanding before a mission can be dispatched.

Hatoyama said the parties in the coalition must agree on how to handle the 1990 declaration and added he would do his best to create an atmosphere favorable to a visit.

* Origins of Discord Between Ozawa, Funada

952B0129A Tokyo SEIKAI SHUNJU in Japanese Mar 95 p 35

[Unattributed article in the "Big Mini" feature: "Reasons Behind the Removal of Mr. Funada, the Hope of Young Members, From the Group of Ozawa's Close Associates"]

[FBIS Translated Text] "Yesterday's close associates become today's enemies"—this may summarize the collective image of those surrounding Mr. Ichiro Ozawa, secretary general of the New Frontier Party.

The following three politicians are said to be the closest to Mr. Ozawa at present: Keisuke Nakanishi, director of the Election Bureau (former Defense Agency director general); Toshihiro Nikai, in charge of national livelihood betterment and traffic policies; and Sadao Hirano, member of the House of Councillors.

Hajime Funada, former Economic Planning Agency director general, who had kept his place as a close associate until last year, incurred Mr. Ozawa's "wrath" and is now complaining of his ill fate.

According to a well-informed source, there seem to be two reasons for this development. The first reason is related to a monetary matter. Mr. Ozawa got angry that Mr. Funada was not distributing money to young Diet members although he had the experience of serving as a minister and so naturally was obliged to look to their needs.

The second reason is that in his Diet-steering measures Mr. Funada made blunders such as boycotting the prime minister's policy speech at the opening of the former extraordinary Diet session. What is more, Mr. Funada consulted Mr. Ozawa in everything, thereby shaping up a situation in which responsibilities for Mr. Funada's failures were thrust upon Mr. Ozawa. Mr. Ozawa was infuriated at this development, according to the source.

Mr. Ozawa even professed openly: "I will make Funada scrub the floor again like a new recruit. I will not let him assume a role or a post when the New Frontier Party is formed." As if to stand against such an Ozawa, Mr. Funada voted for Mr. Hata, not for Mr. Kaifu whom Mr. Ozawa pushed, in the election for head of the New Frontier Party. It may be said that this made their confrontation decisive.

There has been criticism, which may be taken as originating in jealousy, for some time against Mr. Funada in the New Frontier Party that "he is quite puffed up, flattered by attention lavished upon him." Mr. Ozawa's cold treatment toward him also reflects such an atmosphere. When Mr. Ozawa is going to sever relations with a person, he entirely stops meeting him or her again as a means to transmit this intention, and it appears that Mr. Funada's was not an exception in this regard.

LDP Seeks Corporate Political Contributions

OW1703054295 Tokyo KYODO in English 0507 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—The governing Liberal Democratic Party (LDP) has asked industrial associations and major companies for a total of 12 billion yen in political contributions for 1995, LDP Secretary General Yoshiro Mori said Friday [17 March].

Mori gave the figure at a news conference, responding to a question about a newspaper report that the party has asked business circles for donations totaling 16 billion yen.

Mori said the 16 billion yen was the target figure for 1994, not 1995.

"Since we are to receive public subsidies, the target figure should be revised downward year by year," he said in reference to subsidies to be offered from state coffers to political parties beginning this year.

In a front-page article Friday, the ASAHI SHIMBUN reported that the LDP made the requests for donations in January and February in the names of party leaders including Mori.

Noting the need for money to campaign in nationwide local elections in April and the House of Councillors election in July, the LDP sought the industrialists' cooperation to "stabilize politics," the paper said.

Japanese industries resumed donations to political parties late last year after choking off the flow of funds in the wake of a string of corruption scandals involving politicians.

Saying political parties are under various restrictions over the use of public subsidies, Mori said political donations are still necessary to help make their financial conditions sound.

In 1995, the LDP can receive up to 13.1 billion yen from the state. The laws stipulate that a party can receive as public subsidies for a new year an amount equal to up to two-thirds of its income in the previous year.

Meanwhile, Wataru Kubo, secretary general of Prime Minister Tomiichi Murayama's Social Democratic Party [of Japan], expressed displeasure about the LDP's requests for political donations.

The objective of political reform was to break down money politics and win back public trust in politics. "In this light, my evaluation of the LDP's move is clear," he said during a news conference.

In the course of political reform debate in the Diet, he said, all the political parties had differences over the specific content of reform laws but not over the objective of reform efforts.

Murayama Criticizes LDP

OW1703114095 Tokyo KYODO in English 1027 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—Prime Minister Tomiichi Murayama expressed concern Friday [17 March] about a ruling coalition party's request for massive political donations from business circles, just as efforts for comprehensive political reform are under way.

"We are in the process of making politics more transparent in accordance with the decision to start offering public subsidies to political parties," he told reporters at his official residence.

Murayama made the remark after a senior official of the Liberal Democratic Party (LDP), the dominant force in his three-way coalition, said that the party has asked industrial associations and big companies for a total of 12 billion yen in political donations for 1995.

LDP Secretary General Yoshiro Mori told reporters earlier Friday that his party has made the request, saying political donations from businesses are still necessary on top of the public subsidies to political parties to begin this year.

But he also said, "since we are to receive public subsidies, the target figure for company donations should be revised downward year by year."

Japanese industries resumed donations to political parties late last year after choking off the flow of funds in the wake of a series of money scandals involving politicians.

Under the law, a party can receive an annual public subsidy of an amount equal to up to two-thirds of its income in the preceding year. The LDP, for instance, can receive up to 13.1 billion yen from the state in 1995.

Wataru Kubo, secretary general of Murayama's Social Democratic Party [of Japan] (SDP) [SDPJ], also expressed displeasure over the LDP's requests for political donations.

"The objective of political reform was to break down money politics and win back public trust in politics. In this light, my evaluation (of the LDP's move) is clear," he told reporters.

In the course of debate on political reform in the Diet, he said, all political parties had differences over the specific content of reform laws but not over the objective of reform efforts.

The SDPJ has called for a total ban on corporate donations to political parties as a means of ending a scandal-breeding cozy relationship between politics and big business.

Chief Cabinet Secretary Kozo Igarashi, also of the SDPJ, took the view that the public subsidies system was introduced with an eye to replacing donations from business circles with public money.

"I hope renewed attention will be paid to the course of discussion (in the Diet over the offering of public subsidies to political parties)," the top government spokesman said at a news conference.

* Kubo's Illness Delays Changes in SDPJ

952B0106A Tokyo SHUKAN ASAHI in Japanese 10 Feb 95 p 153

[Article by Keiko Hamada, SHUKAN ASAHI reporter: "A Party-Splitting Row Within the Social Democratic Party of Japan (SDPJ); Nagata-cho Alternates Hope and Fear Over the Rumor of 'Kubo's Illness'"]

[FBIS Translated Text] It was when the interpellation was under way at the 25 January plenary meeting of the upper house that Wataru Kubo, secretary general of the Social Democratic Party of Japan [SDPJ], began to show unusual symptoms. His questions were fragmented and he put his hands on the podium as if to lean on it.

He discontinued questioning and consulted a doctor, and his case was diagnosed as temporary anemia. However, various conjectures were made for a while about his illness. Among others, a rumor was afloat that he was suffering from "diabetes" because his doctor had him eat candy. An SDPJ Diet member also said: "He has been under emotional stress with his participation in intraparty adjustments, and in this connection I remember that he even seemed to find it hard to ascend the stairs, beginning at the end of last year."

Even the following unsavory rumor was spread by those on the side of the Liberal Democratic Party [LDP]: "Yamahana (former SDPJ Chairman Sadao Yamahana) is said to be glad that Kubo has broken down from exhaustion."

They started such a rumor because they basically believed that Mr. Kubo would sooner or later act together with Mr. Yamahana's group. Both of them have been strongly aware of the need to form a new party by parting with the hardheaded leftist faction and elderly Diet members who are about to retire, and their ways of thinking about the direction of a new party are also similar.

Nevertheless, Mr. Kubo is the secretary general on active duty, in contrast to Mr. Yamahana who gave notice that he and his followers would secede from the present parliamentary group on the day a violent earthquake disaster took place in the Hanshin region. Mr. Kubo must first resign as secretary general to act together with Mr. Yamahana. When Mr. Kubo falls sick, he can find a reason for his resignation, and it will become easy for him to make moves. This explains what the above rumor said.

A source (a person concerned with the SDPJ) says: "In case the Yamahana faction alone secedes, it will simply be accepted as a rebellion of a minority faction; however, if Mr. Kubo does the same thing, that is a different story. In the present SDPJ where its chairman serves as prime minister, Mr. Kubo is the virtual party head. His secession immediately leads to the party's collapse. What is more, in case Mr. Kubo joins Mr. Yamahana's group, people view that the group's present membership amounting to 30 will increase by another 20 in the future."

In a word, the source is saying that how Mr. Kubo acts will decide the fate of Yamahana's group.

Which will this very person, Mr. Kubo, choose eventually? A leading member of Chairman Murayama's group attributes Mr. Kubo's bad physical condition to his frequent contact with the Yamahana group, saying that "his sneaky, unwanted meetings behind the scenes are to blame." On the other hand, a voice is being raised from the Yamahana group saying: "The LDP forced Mr. Kubo to serve as director of the three ruling parties' Disaster Countermeasures Headquarters, while the SDPJ thrust the work of addressing interpellation on him. Mr. Kubo thus looks like a person pinioned at both arms by the LDP and the SDPJ."

However, due to the recent earthquake, the party has decided to treat the secession notice from Mr. Yamahana's group as an item in "freeze." As to the moves over the party split, the SDPJ is thus in the "state of a temporary truce." Describing itself, the Yamahana group is reportedly making the following remark: "We are now in a state of being buried alive. We have no choice but to pretend that we are dead."

Mr. Yamahana's cousin in Kobe City was buried under his fallen residence in the Great Hanshin Earthquake. He was rescued after an hour. However, when will Mr. Yamahana and his followers be able to get out of the current stalemate? In any case, Mr. Kubo seems to be the only person who can dig them out.

* Hokkaido Gubernatorial Candidate Ito Portrayed

952B0112A Tokyo SANDE MAINICHI in Japanese 29 Jan 95 pp 32-34

[Article by Hajime Yuasa, Koji Hirano: "Amazing Conversion: What? Hideko Ito Has LDP Endorsement in Hokkaido Gubernatorial Election!"]

[FBIS Translated Text] On 6 January when House of Representatives Diet member Ito mailed her notification of departure from the party to the Hokkaido headquarters of the Social Democratic Party of Japan [SDPJ], the conference with four officers of the Hokkaido headquarters of the All Japan Prefectural and Municipal Workers' Union, her parent body of support, was very intense. It took about two hours. Furious words flew at Ito, who informed them to the effect that she was leaving the party and standing as a candidate with Liberal Democratic Party [LDP] endorsement in the gubernatorial election.

"Are you betraying us?"

"It is a total breach of faith!"

Hideko Ito has been the "shining star of the north" for the SDPJ, widely mentioned as "the second Otaka." She had gone against party policy and entered the Hokkaido gubernatorial election, but the LDP endorsement was a surprisingly quick about-face embarrassing the officers. Even though she has professed to be a "convert" to the LDP officers who persuaded her to run, she does not seem to be very concerned. Though there are many politicians who have not determined the direction of their party faction affiliation, what in the world is this?

At the time, Ito already had held a press conference on leaving the party, firmed up her schedule of policy discussions with the LDP, and the opinions of both parties were at cross-purposes.

Moreover, the day before, House of Representatives Diet member Koko Sato, chairman of the LDP Hokkaido Liaison Association who had persuaded her to run, stated thus at the "congratulatory party for his appointment to chairman of the Hokkaido Liaison Association" in Hakodate, "Ito probably will receive a request (to stand as candidate) in two or three days."

"Smart people become 'left' when they are young. Ito also is one of them. She is a convert, so to speak."

Regarding the succession to Governor Takahiro Yokomichi who had continued in office for three terms and 12 years, five non-LDP groups—Rengo Hokkaido, the SDPJ, former Komeito, former Democratic Socialist Party, and former Shinseito [Japan Renewal Party], quickly decided to put up Vice Governor Tatsuya Hori as a candidate. Labor unions historically have been strong in Hokkaido and still have the strong coloring of the 1955 order. Hori made the announcement that he would run on 7 November last year, and also completed establishment of his campaign headquarters. The LDP selection of a candidate to face him was slow and had not advanced at all.

Sato was appointed chairman, picking up where the previous executives left off after failing in the support of House of Representatives Diet member Yukio Hatoyama (Sakigake [Harbinger] acting secretary) and resigning. He declared the possibility of supporting Ito from around that time.

On the other hand, while it was whispered that Ito would run, she held a press conference on 4 December and once denied the rumors of running, saying, "I advocate my own principles, but I do not want to have the hostility of people who have helped in my election, such as the All Japan Prefectural and Municipal Workers' Union." However, on 26 December, when she accepted the formal request from the LDP Hokkaido Liaison Association, she stated that, "The request that they want me to be a female governor is a Copernican change. I have sensed changes in the LDP." "I will take seriously the fact of being asked by the largest ruling party." While she deferred a decision until the beginning of the year, that decision was just as Sato predicted.

At a press conference after the discussion with the All Japan Prefectural and Municipal Workers' Union mentioned at the beginning, Ito virtually made a declaration that she would run, saying, "Since I am responding in a positive manner to the gubernatorial election, I have decided to remove myself from the party register. I will be taking a big step forward."

Naturally, the SDPJ was not silent. "We asked Ito, 'What in the world is happening?' the day after the formal request from the LDP. She said at that time, 'My feelings have not changed from 4 December (denial press conference), and we believed her. This is nothing but a betrayal" (General Secretary Fumio Kanada, Hokkaido Headquarters, All Japan Prefectural and Municipal Workers' Union).

"It is totally unprincipled that a Diet member would change in one month what she said even holding a press conference. She has said that our candidate selection was 'closed-door by labor union leaders' or 'absent of Hokkaido citizens,' but what about this matter with the LDP? We would like her to take back those words completely" (General Secretary Morio Ohira, Hokkaido Headquarters, SDPJ).

"Complaints From Supporters When Making Speeches"

Ito is unaffiliated. She has decided to run in the gubernatorial election with the endorsements of the LDP, Sakigake, and the Liberal League [Jiyu Rengo]. The All Japan Prefectural and Municipal Workers' Union Hokkaido Headquarters has severed relations with Ito and the party Hokkaido headquarters also has decided to strike her name. Apart from whether or not this is the "conversion" of which the LDP Hokkaido Liaison Association chairman is speaking, it is unmistakably a full "parting after quarrel."

She is a graduate of the Literature Department, Tokyo University. She passed the state law examination while raising three children. In the general election five years ago, she captured 260,000 votes, the highest in history, as the "madonna of the north country." After that, she undertook Diet member legislation such as the "Part-Time Labor Act," and the "Product Liability Law (PL Law)," making use of her knowledge and experience in attorney activities. Moreover, when political reorganization became full-scale, she appeared often in the media such as television and newspapers. Her aggressive speeches attracted attention.

Especially after the collapse of the Hosokawa regime, she also is said to have been one of the leaders of the Murayama regime when the "Society To Create a Liberal Regime" formed by Katsuhiko Shirakawa of the LDP and other House of Representatives Diet members became an opportunity for the current coalition of the LDP, SDPJ, and Sakigake.

On the other hand, however, her speeches which did not adhere to the framework of a political party usually caused a sensation in the SDPJ.

"When we had her speak at the meeting, we were troubled by complaints of 'Why did you invite her?' coming in from supporters. At any rate, she criticizes labor unions, she talks much about the constitution of the SDPJ being old, and recently, she just seems to bring up the LDP" (Hokkaido Liaison officer).

"Her sense of justice is strong and we understand her advocating her own principles, but she is a person who ends up freely saying what she pleases on the spot. It seems that she is awkward with the other female Diet members" (party headquarters officer).

Actually, at a party at the end of November last year commemorating the publication of her own work, *Politics Now Are Dramatic—Inside Report of Murayama Regime*, she brazenly flung criticism of the gubernatorial election in front of party and union officers sitting in a row.

"It is strange that you have not absorbed the voice of the Hokkaido people."

"Isn't it self-denial for the Yokomichi prefectural government that was conceived by the people to run the vice governor from a prefectural agency?"

"I would like to ask if one woman has the courage to run among them even if she quarrels with the party and labor unions."

Chairman Noboru Yamazaki of the Rengo Supporters Association for Ito reflects, "We held a directors meeting of the Supporters Association directly after that and asked for opinions, but there was only one of the twelve directors who approved of her running. I myself am an SDPJ member and All Japan Prefectural and Municipal Workers' Union man. Therefore, I said to Ito, "The lotus flower blooms beautifully because it has muddy water underneath it." She had not come once to my home though I served twice each as head of her campaign headquarters and chairman of the supporters association. Even after the previous general election, she immediately went abroad. I probably didn't communicate with her."

Ito says thus in an interview with this magazine about this criticism from a former colleague.

Why did you leave the party?

Ito: Since the beginning of last year, closed-door selection of candidates by a few people had been proceeding just like a prearranged course. This is an idea centered on the nation and organization and remarkably contrary to the age today which values human beings or individuals. Above all, it is not liberal. The liberal administration of the Murayama regime has been created at the center, but in Hokkaido, they are bringing in persons that are completely retrogressive solely on the pretext of being non-LDP and there has been nothing but bureaucratic leadership and a labor union nucleus.

However, no matter how much I stress and criticize this, there has been no room for options at all. Conversely, it was said that there would be a review of our support relationship unless I assumed the post of consultant to the Hori campaign. I mailed the notice of departure from the party because the Hokkaido Headquarters said "we will not accept it even if you bring it."

What about the details up to the denial press conference on 4 December?

Ito: If I had talked with friends around the 20th of November about not liking to bend political principles and there probably being nothing to do but become an interested party (in the gubernatorial election) myself, they would have drifted away and I would have ended up being by myself. At that time, I was thinking of my own preservation and since there also was budget work, I thought that I would go with a kind of "safety-first principle." Later, however, when they demanded that I assume the post of consultant to the Hori campaign, the problem of Shinminren appeared at the center and I was troubled.

"Perplexed by Request From LDP"

What about the request for you to run as a candidate from the LDP Hokkaido Liaison Association on 26 December?

Ito: I was perplexed when I was told by Chairman Sato. I thought that I had gotten into a difficult situation. I have been helped very much by labor union people such as the All Japan Prefectural and Municipal Workers' Union and since I had been very grateful, I was greatly shaken. However, I thought as a politician that political activities from a broader standpoint might be possible even without support from the labor unions, and made the decision.

When did you decide?

Ito: Right before I sent the notice of departure from the party. The LDP had been saying that "they wanted to meet me" since the end of the year, but I had returned to my parents' home in Kagoshima and did not meet them.

Was there talk from the LDP earlier than that?

Ito: No. It was mentioned by various people, but I refused. I didn't want to get involved. When I was contacted by Chairman Sato on the day before the formal request, I went to Prime Minister Murayama and said, "Shall I refuse the meeting?" Murayama said, "No, you can't do that. You should meet them and handle it cautiously as a politician."

On 13 January, Ito held a press conference in Sapporo. She made her formal "declaration to run" there.

Ito says, "As a politician, the most important thing is to follow my own principles." Is she faithful to her own political principles or is it simply just a "conversion" because she wants to be at the center of power? The voters will decide which.

Government's Quake Disaster Measures Polled

OW1703050595 Tokyo MAINICHI SHIMBUN in Japanese 16 Mar 95 Morning Edition p 3

[FBIS Translated Text] Many problem points were pointed out regarding government measures concerning the disaster caused by the great Hanshin earthquake. However, people think that the problem was the governmental system itself rather than Prime Minister Tomiichi Murayama's ability. This was disclosed by an opinion poll (interviews) MAINICHI SHIMBUN conducted from 10 to 12 March. The top four answers (respondents could choose more than one answer) to a question regarding points the government should change for better were: "the government's capability to collect and transmit information," "bureaucratic sectionalism," "channel of command through which the prime minister's official residence sends instructions and orders," and "overall crisis management system for major quake disaster." Each of the top four answers received the 30 percent level response rate. "The prime minister's leadership," which the New Frontier Party and other parties view as a problem, received only a 15 percent response rate. This is less than half [as published] the rate for the top four answers.

Of the seven choices provided, opinions were divided significantly between male and female respondents over "bureaucratic sectionalism." Of male respondents, 30 percent chose this answer. This is 10 points more than the response from female respondents. On the other hand, 31 percent of female respondents, or nine points more than the response from male respondents, chose "the system for accepting support from other countries." The top answer chosen by respondents in their 20's was "the system for accepting support from other countries." Respondents in their 30's, 40's, or 50's chose "bureaucratic sectionalism" and those who were 60 or older picked "the government's capability to collect and transmit information." Thus, the survey shows that opinions are divided between different age groups.

Moreover, it also shows that answers from respondents—who live in Hyogo, Osaka, and Kyoto where damage caused by the great Hanshin earthquake was great—were different from that of overall respondents. More respondents who live in the three areas than overall respondents chose "channel of command through which the prime minister's official residence sends instructions and orders," "bureaucratic sectionalism," and "the system for accepting support from other countries." The differences were five points for the first answer, four for the second, and three for the third.

The survey also looked into what respondents, who answered that "Prime Minister Murayama lacks leadership," think of the government. Thirty nine, 35, 33, and 32 percent of them respectively chose 1) "bureaucratic sectionalism," 2) "channel of command through which the prime minister's official residence sends instructions and orders," 3) "government's capability to collect and transmit information," and 4) "overall crisis management system for major quake disaster."

The survey was conducted by directly interviewing 3,000 voters across the nation. Voters in Kobe, and Nishinomiya city of Hyogo Prefecture, and other quake victim cities were excluded. The response rate was 72 percent.

BOJ: Economy Recovering Despite Earthquake

OW1703120695 Tokyo KYODO in English 1043 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, Mar. 17 KYODO—Japan's economy is continuing a moderate recovery, though the Jan. 17 earthquake temporarily affected private consumption, external trade and production, the Bank of Japan (BOJ) said Friday [17 March] in a monthly report reviewing the nation's monetary and economic trends.

"Our judgment on the economy remains unchanged from a month earlier, as brief quake-induced downturns in individual consumption, exports, imports and production turned back to the plus side," a central bank official said.

Despite the quake's potential for lingering effects on the stock side of the economy, the momentum of the economic recovery may not be interrupted, the official said.

The official pointed out, however, the yen's renewed surge against the dollar as one of the uncertain factors affecting the economic outlook.

"We will closely watch developments in foreign exchange rates and their effects on the real economy," the official said, adding that the yen's present strength after rapid gains on speculative moves is far from the nation's economic fundamentals and beyond understanding.

He also said the yen's rise against the dollar may have both positive and negative impacts, but it is difficult to predict them at this point.

On the minus side of a stronger yen, exporters' profits may decline, depending on their efforts to cut costs and raise dollar-denominated prices, as well as on overseas demand, he said.

On the plus side, domestic prices may fall and then real incomes can increase as a result of a greater inflow of cheap imports, he said.

Personal consumption showed some declines immediately after the big earthquake as people were inclined to refrain from purchasing, but since then has been returning to a moderate upward trend on a broad front, the report said.

Sales of new passenger cars have increasingly grown on the back of robust demand, and sales of household electrical appliances continue to be brisk, especially those of personal computers and air conditioners, it said.

Downturns in corporate capital spending almost ceased, both in the manufacturing and nonmanufacturing sectors, except smaller companies.

"It is a delicate phase for making a turnaround to the plus side," the official said.

Public investment seems to have hit a ceiling, though it remains at high levels, the report said.

After dropping sharply in January due to quake damage to the nation's main port of Kobe, exports recovered their upward momentum on the back of expanding overseas economies, and imports also returned to an upward trend, it said.

On the labor market, the report said the deteriorating trend is coming to an end, with the January ratio of job offers to job applicants slightly up from the previous month and declines in the employment growth rate ending, it said.

The money supply is continuing its moderate growth in line with the pace of the economic recovery, it said.

Articles Examine Economic Situation, Recovery

EPA Assessment Reported

OW1703092795 Tokyo KYODO in English 0852 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—Japan's real economy contracted a real 0.9 percent in the October-December period from the preceding quarter for an annualized drop of 3.4 percent, the Economic Planning Agency (EPA) said Friday [17 March].

The inflation-adjusted gross domestic product (GDP) during the reporting quarter showed a reactionary fall from a big quarter-to-quarter gain of 0.9 percent for an annualized 3.5 percent growth in the third quarter, the agency said.

Tsutomu Tanaka, EPA vice minister, said, "excluding reactionary factors that stemmed from last year's extremely hot summer and tax cuts, we can say that Japan's economy is following a moderate recovery course."

Tanaka said such a recovery can be underpinned by the recent uptrend in corporate capital spending, which grew 0.4 percent in the fourth quarter for second consecutive quarterly rises. personal spending dropped a slight 0.6 percent in the reporting quarter but its basic undertone is on the recovery side, he said.

Tanaka voiced concern over the yen's excessive rise against the dollar, saying, "it may be difficult to totally deny the trend's effects on corporate capital spending."

On possible impact on the overall economy of the Jan. 17 great Hanshin earthquake, he said some negative effects might show up but they will likely prove short-lived, citing plus effects such as increased demand for reconstruction projects in damaged areas.

Japan's fourth-quarter GDP amounted to an annualized 421,230.7 billion yen.

Of the 0.9 percent quarter-to-quarter GDP contraction, domestic demand accounted for 0.6 percentage point and external demand 0.3 point.

With the latest GDP reading, a 4.02 percent real economic growth is needed during the January-March quarter to attain the government's revised growth target of 1.7 percent for fiscal 1994 ending this month, the agency said.

"Although depending on economic developments in the current quarter, it appears difficult to achieve the target," said Tanaka.

The real gross national product (GNP), or GDP plus income from overseas, in the October-December quarter slid 0.8 percent from the previous quarter to post an annualized drop of 3.3 percent.

The GDP deflator fell 0.7 percent in the fourth quarter, following a 0.5 percent decline in the preceding quarter.

Tanaka attributed the downtswing to the ongoing "price destruction" trend on Japan's consumer front and the strong yen that pushed down wholesale prices.

Among items for personal spending, some services like travels grew steadily as well as autos, televisions and videocassette recorders, the agency said.

New demand for personal computers and portable phones also emerged, it said.

But food and beverages fell generally along with part of durable goods in reaction to big rises in the preceding quarter, the agency said.

In the third quarter, items like air conditioners and refrigerators sold explosively due to the hot summer, it noted.

Housing investment for the reporting quarter stayed at high levels but suffered a marked 5.9 percent fall in the fourth quarter, also showing a reactionary fall from a 2.6 percent growth in the third quarter.

On the corporate investment front, smooth gains were observed for electric machines, transportation, leasing and telecommunications, the agency said.

The recent uptrend in machinery orders attests to the expanding trend in corporate capital spending, Tanaka said.

Tanaka said personal consumption will rise "significantly" in the current quarter due to seasonal factors.

Public investment in the fourth quarter fell 0.5 percent from the preceding period, marking the first decline in nine quarters since a 0.1 percent slide in the July-September of 1992.

The uptrend in public investment came to a halt but it stayed at high levels, Tanaka said, citing spending earmarked in the second extra budget for fiscal 1994.

Exports of goods and services increased 2.3 percent in the fourth quarter, reflecting continued steady demand for electrical equipment and transportation equipment, the agency said.

Imports also continued to rise for a gain of 4.1 percent, it said, citing such gainers as general-purpose machines and mineral fuel.

Tanaka said Japan's economy will likely follow a recovery path, aided by rising corporate investment and more repurchase demand for durables.

"The economy is shifting to an autonomous recovery phase on the leverage of an expected rise in domestic demand," he said.

The GDP for the July-September quarter grew a revised 0.9 percent, unchanged from the preliminary report.

The 0.9 percent rise translates into an annualized 3.5 percent growth, revised down from the preliminary 3.7 percent gain.

Japan's real GDP for calendar 1994 increased 0.6 percent, an improvement from a 0.2 percent contraction in calendar 1993, the agency said.

Domestic demand pushed up the 0.6 percent growth by 1.0 percentage point but external demand pushed it down by 0.4 point.

"We've basically lost steam in a fiscally led recovery," as the effects of public works spending, public housing investment and tax cuts were all down for the quarter, said Mineko Sasaki-Smith, senior economist at Morgan Stanley Japan Ltd.

"And it's premature to have bridged into a genuine, self-sustaining recovery," Sasaki-Smith said. The prospects for such a recovery are "not very promising," she said, although the rise in corporate capital spending "was a bit of a relief."

The January-March figures are likely to be better than the October-December results, but the improvement will represent more of a statistical comparison than a real recovery, she said.

Reaching the government's already scaled-back fiscal 1994 forecast of 1.7 percent real GDP growth, she said, is "impossible."

The economic lethargy calls for a cut in the official discount rate, but that probably is not imminent, Sasaki-Smith said, citing Bank of Japan Governor Yasuo Matsushita's comments earlier in the day that he will maintain the central bank's current easy policy.

The central bank still has room to guide market interest rates lower by pumping capital into the Tokyo money market without cutting its base rate, already at a record low 1.75 percent a year, she said.

Masaru Takagi, chief economist at Fuji Research Institute, concurred with the EPA's assessment that the October-December decline largely reflected a comparison with the high growth of the previous quarter.

But economic growth remains "near zero, extremely weak," as shown by such factors as the fall in personal consumption, Takagi said.

Capital spending, although up for a second quarter in a row, remains weak, while housing investment "has entered an adjustment phase," he said.

Takagi called for government action on the fiscal and monetary fronts, such as a cut in the discount rate and "building up public works spending," in addition to any special measures for earthquake reconstruction.

Corporations Surveyed on Recovery

OW1703063195 Tokyo ASAHI SHIMBUN in Japanese 13 Mar 95 Morning Edition p 1

[FBIS Translated Text] ASAHI SHIMBUN conducted a survey on 100 major corporations (52 manufacturers and 48 nonmanufacturers) across the nation to find out their views on the economic situation. Saying that the current economic situation is "gradually moving toward recovery," more than 81 companies answered that "the keynote of economic recovery will not change" even if temporary effects of the great Hanshin earthquake are felt. The survey results reflect an increase in corporate profits. Following the yen's rapid appreciation, however, 75 companies said that the "strong yen" is a cause of future concern. In this way, the survey shows that the companies still feel uncertain about the future. On the issue of securing revenue resources for recovery from the earthquake disaster, 70 companies said that they were against tax hikes.

The survey was conducted between 27 February and 8 March. Reporters conducted the survey by interviewing, in principle, corporate executives.

On the economic situation, the number of companies who answered "it is gradually recovering" increased steadily; 56 companies gave this answer in the previous survey conducted in September last year. However, not a single company said that "it is expanding rapidly." They are of the view that the pace of economic recovery is still slow and there is no upsurge in sight. Eighteen companies answered, "it shows no fluctuation."

As regards the earthquake's impact on the economy, 81 companies think that "although it may temporarily become stagnant, the keynote of economic recovery will not change." Many privately owned think tanks are of the view that domestic demands boosted by reconstruction work will have a mid-term effect of accelerating economic recovery. However, only six companies answered that "recovery will pick up momentum." Ten companies were pessimistic about economic recovery and said that "stagnation will drag on."

Sixty-one companies think that the impact of the restoration projects will be felt in their business activities, including the number of orders received and sales. The largest number, 38 companies, said that impact would be felt in "the second half of fiscal 1995."

Regarding the "strong yen," which was the number one answer to a question on a cause for future concern, some people said that "the future economic situation will be severe if the yen continues to stay at its current level."

On how they want the government to promote economic policies, most of the companies said that they support using "money saved by trimming expenditures" as a source of revenue for restoration projects. Regarding issuing deficit-covering bonds, 68 companies said that they "should be used as a source of revenue" or "it cannot be avoided." On the other hand, only 29 companies answered, "it cannot be avoided" or approved the idea of increasing taxes.

1994 Household Savings Post First Annual Drop

OW1703085295 Tokyo KYODO in English 0811 GMT 17 Mar 95

[FBIS Transcribed Text] Tokyo, March 17 KYODO—The balance of household savings in 1994 for Japanese salaried workers posted the first annual drop since 1963 when the current calculation methods began, although the rate of fall was only 0.1 percent, the government reported Friday [17 March].

The Management and Coordination Agency said in its preliminary report that the savings balance as of the end of last year averaged 12.34 million yen.

An official of the agency attributed the drop mainly to two reasons—declined income in the year and withdrawal of savings for buying homes spurred by low interest rates on housing loans.

Salaried workers' household income in the year averaged 7.67 million yen, a 0.5 percent drop, marking the first annual fall since the survey started in 1959. The prolonged recession dragged down their income, the official said.

The rate of those who have housing loans accounted for 34.9 percent of the salaried workers' households, up 1.5 percentage point, with an average remaining loan at 16.13 million yen, up 10 percent to exceed the 10 million line for the first time.

Outstanding household debts of salaried workers, including those who do not have any debts, meanwhile, averaged about 4.05 million yen, jumping 13 percent over the previous year, following a 15.5 percent leap in 1993. More than 90 percent of the debts are in housing loans.

According to the agency figures, the household savings balance showed steady increases in general to the mid-1980s and 10-percent level jumps in the "bubble economy" period of the late 1980s. After the bubble collapsed in the early 1990s, the growth rate slowed to 5 to 6 percent up to 1992 and to 4.1 percent in the recession year of 1993.

The agency said the 12.34 million yen average savings for salaried workers' households represents the simple average. Among those surveyed, 67.2 percent fall below the average. The largest group of 14.3 percent have only 2 million yen to less than 4 million yen in savings.

As for type of savings, 44.1 percent was in time deposits, 29.6 percent in life and nonlife insurance, and 12.9 percent in securities.

The agency polled a total of 6,300 households with more than two family members in 162 municipalities across the nation. The survey excluded households of people whose main source of income is farming and fishing, but covered the self-employed and jobless.

Including households of self-employed and jobless, the agency said Japan's overall household savings balance for the year averaged 15.92 million yen, up 6.3 percent.

'Unmanned' Space Lab Capabilities Assessed

OW1703004895 Tokyo ASAHI SHIMBUN in Japanese 13 Mar 95 Evening Edition p 11

[FBIS Translated Text] Japan's first "unmanned space laboratory" satellite, which can be recovered and reused, will be placed into orbit by an H-2 rocket scheduled to lift off from the National Space Development Agency's [NASDA] Tanegashima Space Center in Kagoshima Prefecture on 15 March. The satellite will perform various experiments in space for almost half a year. Equipped with an infrared space telescope, which will be the only operational one, the satellite will perform 14 experiments including probing into how stars and galaxies were formed and observing newt egg-laying, egg hatching, and development. There is a long list of undertakings that will be attempted for the first time, including recovery of the satellite by Koichi Iwata, a Japanese astronaut who will fly aboard the U.S. space shuttle Endeavor in November.

The unmanned space laboratory was jointly developed by the Education Ministry's Space Sciences Laboratory [SSL], the Ministry of International Trade and Industry, the Science and Technology Agency, the New Energy and Industrial Development Organization, and NASDA.

Weighing 4 tons, this satellite is octagon-shaped and measures about 5 meters wide and about 3 meters high. It is equipped with six rectangular containers that house devices for performing experiments. These devices can be replaced with different ones with each reuse of the satellite after recovery.

The satellite's total development cost was about 42 billion yen. The total cost of the satellite project, including part of the cost of launching the H-2 rocket, is nearly 70 billion yen.

The satellite will be separated from the H-2 rocket at an altitude of 320 kilometers. Propulsion devices will then be activated to raise it to an altitude of 500 km where it will begin performing experiments.

The diameter of the infrared-ray space telescope is 15 centimeters. To improve the telescope's sensitivity, liquid helium is used to cool the telescope down to 2 degrees above absolute zero (or -271 degrees centigrade) so that infrared rays generated by the telescope will be minimized during operation. By observing very weak infrared rays, it will be possible to study carbon distribution in space. SSL scientists hope that they may "possibly find organic compounds that are essential to life."

Two female newts will be spending a considerable amount of time in space. At liftoff, the newts will be in a state of hibernation. They will be awakened by gradually raising the temperature of their environment after going into orbit. They will be induced to lay eggs while in space, and they will be observed to study whether a low-gravity environment will have any effect on the hatching of the eggs and growth of the baby newts.

Regarding experiments with newts performed by Japanese female astronaut Chiaki Mukai during her flight aboard the U.S. space shuttle Columbia last July, the newts' otholiths—which are tiny bone-like particles in the internal ear of many invertebrates that control their sense of balance—became temporarily enlarged after they returned to earth.

There are also plans to conduct experiments that may be invaluable to, among other things, the future construction of space stations. There will be an experiment in which a machine will be used to unfold and fold back together a plastic film that has been folded using a technique called the "Miura fold."

This technique was conceived over 20 years ago by Koryo Miura, a former SSL professor. Using this technique, a flat sheet folded into a smaller size can be unfolded by simply pulling on one edge.

If this technique is practical, wide objects can be folded into smaller sizes for transporting to space. Moreover, the folded pieces can be easily unfolded, and the task itself can be easily automated as well.

The plastic film is triangular, with the length of each of the three sides measuring about 4 meters. Attached to this film are solar cells that, for the first time ever, will generate electrical charges exceeding 250 volts. They will be used to study effects that electrons and atomic nuclei flying around in space may possibly have on high-voltage equipment.

In the low-gravity environment of space, it will be possible to mix different substances uniformly because there will hardly be any differences in the weight of these substances under such conditions. By taking advantage of this, attempts will be made to manufacture high-quality compound semiconductors as well as produce the world's first thin-film diamond crystals in space.

Unmanned experiments in space were to be performed with the "Express," a retrievable satellite for unmanned experiments in space jointly developed by Japan and Germany. However, the satellite's launch ended in failure last January. As a result, the satellite on the H-2 rocket soon to be launched will become Japan's first satellite of this type.

If the upcoming launch should fail, not only will the establishment of Japan's unmanned space experiment technology be put off into the future, but Mr. Wakata's space shuttle flight may also be affected.

The launch has been delayed for a month and a half from the original schedule due to, among other things, problems with the satellite's attitude control system. Thus, officials concerned are praying: "Please go up successfully, for god's sake."

North Korea

ROK-Style Reactors 'Cause' of Death of Accord

SK1703104795 Pyongyang KCNA in English 1038 GMT 17 Mar 95

["Root Cause of Killing DPRK-U.S. Agreement"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA)—The U.S. authorities, in defiance of the strong opposition of the Democratic People's Republic of Korea, are now insisting that the United States has no other choice but to provide the DPRK with "South Korean standard-model light water reactors [LWR]."

This, unacceptable to the DPRK, clearly indicates that the United States is openly seeking confrontation with the DPRK, going against the spirit of the DPRK-U.S. agreement.

It goes without saying that such an act of the U.S. to force the DPRK to accept South Korean model reactors will cause an unexpected perilous situation between both sides of dialogue.

The gravity of the situation is attributable to the unjustifiable goal pursued by the "Korean Peninsula Energy Development Organization" (KEDO). In other words, the situation has become serious since the U.S. raised the issue of the "provision of South Korean standard-model LWRs" in this organization.

If "KEDO", an international consortium the U.S. formed to discharge its own obligation to provide LWRs to the DPRK according to the DPRK-U.S. agreement, is aimed at making fund and equipment necessary for the provision of LWRs, its purpose and mission should be to meet the demand of the receiver and, in particular, it must show the impartiality and objectivity in the solution of all issues.

Only then, the other side of dialogue will deal with the organization with a sincere attitude and stand.

If the organization did not insist on the "provision of South Korean model reactors", the prospect of negotiations would be bright and the matters solved smoothly.

The U.S., however, put the term "South Korean model" to LWRs to be supplied by "KEDO", driving the situation to a hopeless phase.

The term "South Korean model" is the brake on the conclusion of an agreement regarding the provision of LWRs and, further, a root cause of killing the DPRK-U.S. framework agreement.

From this point of view, we can see that "KEDO", which is allegedly aimed at the "provision of South Korean model reactors", serves as a means of new pressure on the DPRK by the U.S. and a tool of dishonest forces for reviving the already collapsed international cooperation system.

What cannot be overlooked is that the consortium represents only the political purpose of the South Korean puppets with no say and power.

The U.S. intends to make this organization without justification the DPRK's dialogue partner. This is an unpardonable insult to the DPRK.

As long as the consortium is aimed at the provision of South Korean model reactors, we will never deal with it. And we will have nothing to solve with it.

If the U.S. persistently try to make "KEDO" the DPRK's dialogue partner, we cannot but consider that the U.S. gave up its obligation as negotiator and declared the DPRK-U.S. agreement null and void.

In that case, it pertains to our legitimate rights to take a decisive countermeasure.

The U.S. will have to be held wholly responsible for all the consequences to be entailed therefrom.

The U.S. would be well advised to clearly see the trend of the time and immediately remove the term "South Korean model" from LWRs to be provided to the DPRK. This is the only way of keeping the DPRK-U.S. agreement available.

U.S. 'Military Adventure' on Peninsula Decried

SK1703051095 Pyongyang KCNA in English 0500 GMT 17 Mar 95

["United States Has Nothing To Get By Means of Strength"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA)—U.S. conservative forces, taking issue with the

DPRK again in a recent "defense report", insisted on "use of military strength" and "development and early deployment of theatre missiles" and clamoured for the building of a "security system" in Northeast Asia centering on the Korean peninsula and the maintenance and reinforcement of the U.S. Forces in South Korea.

This fact tells that though the Cold War has come to an end, the United States is still pursuing military confrontation on the Korean peninsula and wild ambition for its military domination over Asia, says NODONG SINMUN in a commentary today.

The news analyst goes on:

All the more serious is the fact that the United States in its "defense report" openly revealed its attempt for the use of Armed Forces against the DPRK. This indicates that the United States is going to commit a military adventure against the DPRK at any moment.

In actuality, the United States nullified its plan for withdrawing its troops from South Korea and is ceaselessly introducing new arms equipment and intensifying military manoeuvres in South Korea. The DPRK's "nuclear development" and "missile threat" on the lips of the United States are no more than a pretext to justify its new war provocation move.

The U.S. military threat is also directed to other countries in Asia. The United States announced that it would establish a "security system" in Northeast Asia centering on the Korean peninsula under the pretext of a "multinational security association", which is aimed to carry into practice the Asia strategy by military strength.

Strength is not almighty. Moreover, it never works on us. The United States has nothing to get by means of strength. If the United States takes the road of military adventure, resorting to the policy of strength, it will be held wholly responsible for all consequences arising therefrom.

U.S. 'Policy of Force' Toward Asia Denounced

SK1703061395 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 16 Mar 95

[Commentary by Kim Ho-sam: "U.S. Policy of Force Toward Asia Remains Unchanged"]

[FBIS Translated Text] The United States has more clearly laid bare to the world its policy of force toward Asia recently. As was reported, in a briefing on a new U.S. security strategy toward the East Asian-Pacific region on 27 February, U.S. Assistant Secretary of Defense Joseph Nye, announced that the United States will suspend its decision to reduce U.S. troops in Japan and South Korea by the end of the 20th century. He announced that the United States will keep intact the 100,000 U.S. troops deployed in East Asia and the area surrounding it, including U.S. troops stationed in South Korea.

At the same time, in its defense report for 1995 published in early March of this year, the U.S. Department of Defense babbled again about our so-called nuclear development and missile threat and raved that they pose a threat to the national interests of the United States and its allies. The Department of Defense has gone so far as to plan to use militay force and to develop and deploy (?theater) missiles in order to check the threat. Along with this, it has gone so far as to come up with a plan to establish a regional security system centering on the Korean peninsula.

Such moves by the United States clearly indicates that it is attempting to exercise its force in Asia and to drive the situation in the Asian-Pacific region into a state of war, and also proves that the U.S. strategy for Asia which is based on force, has not changed at all.

Following the end of the Cold War, the United States attempted to envelop, check, and crush socialist countries in Asia by combining a policy of force with a policy of appeasement in its strategy toward Asia. Thus, the United States attempted to make a [word indistinct] world under the U.S. domination.

Recently, however, the United States has changed its policy and is attaching more importance to force, thereby advancing along the road of dominating Asia with powerful military strength, and this is attracting our attention.

The 1995 U.S. defense report stressed that the United States is a country located in the Pacific region and declared that it will actively maintain its military presence and take every effort to check someone's infiltration into this region and to protect its interests there.

Commenting on such views by the United States, Japan's KYODO News Agency reported that the diplomatic policy toward the Asian-Pacific region of the United States attaches importance to security, rather to the economy and human rights.

In the Asian-Pacific region, the United States is attaching importance mainly to northeast Asia. In Northeast Asia in particular, it is concentrating more efforts on dominating South Korea by force.

Proceeding from this, the United States has continuously accelerated the arms buildup in South Korea. According to a report of the U.S. newspaper DEFENSE NEWS of 13 March, the United States is reinforcing military equipment such as up-to-date helicopters, tanks, vehicles, and ammunition for U.S. troops stationed in South Korea under the pretext of coping with someone's threat. In addition to this, the United States is planning to introduce 24 Apache attacking-purpose helicopters into South Korea during the second half of this year and to sell 168 air-to-ground missiles to South Korea as demanded by the South Korean puppets.

Meanwhile, the United States staged a non-stop, long distance flight exercise, an exercise unprecedented in recent years, thus indicating that it is clinging to its policy of crushing us.

Now, the question remains as to why the U.S. policy of force toward the Asian-Pacific region has been so frantic recently. It is related, first of all, to the strategic military location of this region.

There are many important maritime routes like the Malacca Strait in this region and there is an abundance of underground resources which are indispensable in war. The United States views that without grasping these strategic locations and underground resources in the Asian-Pacific region, it cannot accomplish its wild ambition of dominating the world. Another reason is that this region is being recognized as a vital economic zone for the United States.

Major capitalist countries of the world are now attempting economic expansion into this region, claiming that the 21st century is the era of the Asia-Pacific region. Sharp economic competition for economic interests appear likely to take place in the Asia-Pacific region in the 21st century.

Proceeding from this, the United States is attempting to firmly grasp hegemony in this region through a method of force in order not to be squeezed out of the expected economic competition in the upcoming century. In particular, the United States is turning its spearhead in the direction of strangling our Republic in a bid to permanently grasp the Korean peninsula which has become a bridgehead of the Asia-Pacific continent.

The U.S. policy of strangling the Republic, however, will not work on us. Our people who have firmly united as one mind and regard independence as their lives, will sternly smash any military crushing policy of the United States.

We will respond to force with force and respond to war with war. The United States had better give up its anachronistic way of thinking and act with reason [isong itke].

Pomminnyon Denounces ROK 'Fascist Suppression'

SK1603151095 Pyongyang KCNA in English 1506 GMT 16 Mar 95

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA)—The South Korean authorities must immediately abolish the "National Security Law", an anti-national, anti-reunification law, without delay, release the illegally detained, unconverted long-term prisoners and other pro-reunification patriots and send back old Kim In-so, Ham Se-hwan and Kim Yong-tae to the families and relatives in the northern half of Korea.

The spokesman for the North side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) said this in a statement on March 16.

Recalling that the South Korean people of all walks of life recently formed a Funeral Committee for an unconverted long-term prisoner of guerrilla origin and buried the deceased in the cemetery in Mangwol-tong, Kwangju, the resting place of the patriotic martyrs, the spokesman said:

The South Korean authorities arrested those who had spoke highly of the deceased as a patriotic-minded fighter and mourned his death at the funeral service, by invoking the "National Security Law", and threatened to make a "strict investigation" and "legal action" against them.

Particularly, the South Korean authorities are attempting to impose heavier penalty on the executive chairman of the Funeral Committee, contending that he was involved in the South side headquarters of Pomminnyon which was defined as an "organisation profiting the enemy". This is a crude violation of human ethics and morality and, at the same time, a heinous challenge to the desire of the nation for unity and reunification.

Hostility toward Pomminnyon is to oppose national unity and reunification and incriminating those involved in Pomminnyon is a treachery to patriotism.

The South Korean authorities must put an immediate end to the fascist suppression of the pro-reunification, patriotic forces and stop blocking Pomminnyon and other movements for reunification, looking squarely at the current of history.

Repatriation of 'Unconverted' Prisoners Urged

SK1703151195 Pyongyang KCNA in English 1505 GMT 17 Mar 95

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA)—The Ghanaian Committee for the Repatriation of Unconverted Long-Term Prisoners in South Korea to the North sent a letter to the U.N. Commission on Human Rights on March 11, calling for the repatriation of the old men, Kim In-so, Ham Se-hwan and Kim Yong-tae.

The Kim Yong-sam "government" is detaining them in South Korea in disregard of their desire for return to the northern half of Korea, where their families and relatives are waiting for them, said the letter, adding that this clearly shows the deplorable human rights situation of South Korea and the Kim Yong-sam group's anti- reunification, anti-democratic fascist dictatorial nature.

The letter urged the U.N. Commission on Human Rights to take necessary efforts to make the United States and the United Nations, that are directly or indirectly responsible for the problem of unconverted long-term prisoners in South Korea, take an active part in the work for their repatriation.

The United States and the United Nations must refrain from patronizing the South Korean authorities' anti-reunification policy of North-South confrontation and exercise their influence on the South Korean authorities so that they may abolish the "National Security Law" and other evil laws, demolish the concrete wall and send back the old men, the letter [word indistinct].

The February 23 issue of the Brazilian paper HORA DO POVO [spelling of paper as received] criticised the anti-national, anti-ethical character of the South Korean fascist clique, saying that Kim In-so and Ham Se-hwan should have already been repatriated to the northern half of Korea after the conclusion of the Armistice Agreement as prisoners on war.

V. Moussa Tiepolot [spelling of name as received], the chairman of the [word indistinct] Friendship Association, in a statement March 2 strongly urged the South Korean authorities to return the old men to their home towns without delay, saying that they have no ground to detain them in view of the Geneva conventions on POWs and from the humanitarian point of view.

He demanded that the United states, as a [words indistinct] the Korean War, pay due attention to the [words indistinct] of the POWs detained in South Korea.

Korean Children Suffer Japanese 'Discrimination'

SK1603105195 Pyongyang KCNA in English 1029 GMT 16 Mar 95

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA)—The Japanese Government must take a step to rectify the discrimination policy toward the Korean children, urged Ryumiko Nishino, a member of the Japan Data Centre of Responsibility for War, at the discussion of "children's right," the 24th item on the agenda of the 51st session of the U.N. Commission on Human Rights which was held in Geneva.

She said that the Korean children are subjected to institutional discrimination in Japan.

She continued:

The Japanese Government fails to officially recognize Korean national schools and graduation diploma of the schools so that their graduates cannot enter the national universities of Japan.

Girls in Korean national dress are assaulted openly, their clothes taken off or torn off, and even national rights of Korean children are violated.

The Japanese Government, far from taking a step on the Korean girls' clothes, openly denies its blame for it. This is motivated by the stand of denying the past aggression of Korea and other Asian countries by Japan.

As long as the Japanese Government fails to take a step to rectify the discrimination policy toward the Korean children, the violation of the convention on the children's rights will be continued in Japan.

Japanese Prime Minister Urged To Improve Ties

SK1603151395 Pyongyang KCNA in English 1510 GMT 16 Mar 95

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA)—A group of representatives of all walks of life in Kyoto visited the residence of the Japanese prime minister on March 10, asking for early normalisation of diplomatic relations between Japan and the Democratic People's Republic of Korea.

Included in the group were Hiroshi Morita, general director of the Kyoto Postal Insurance Cooperative; Prof. Hiroharu Seki of Ritsu Meikan University; Shotaro Inoue, a lecturer of Ryugoku University; and Shigetaro Hayashi, director of the Yamashina-Ward People's Council for the Promotion of Normalisation of Japan-DPRK Diplomatic Relations. They were accompanied by Hajime Fukata, Social- Democratic member of the House of Councillors.

They handed a written request to the chief cabinet secretary and urged him to strive for early normalisation of diplomatic relations between Japan and the DPRK on the basis of the joint declaration of the Workers' Party of Korea, the Japan Social-Democratic Party and the Liberal-Democratic Party of Japan at this historic juncture when it is nearly 50 years since the end of World War II and an agreement has been adopted between the DPRK and the United States.

They also visited the Foreign Ministry and handed a similar request to it.

Japanese Group Promotes Ties With Pyongyang

SK1603052795 Pyongyang KCNA in English 0425 GMT 16 Mar 95

[FBIS Transcribed Text] Tokyo, March 14 (KNS-KCNA) [dateline as received]—An inaugural meeting of the Ibaraki Prefectural Liaison Council for Japan-Korea Friendship was held in Mito, Ibaraki Prefecture, on March 3.

The purpose of the organisation is to promote early normalisation of diplomatic relations between Japan and the DPRK, the independent and peaceful reunification of the Korean peninsula and friendship between the Japanese and Korean peoples.

Prof. Toshio Higashi of Ibaraki University was elected chairman of the council at the meeting.

'Repatriates From Japan' Receive Birthday Tables

SK1703051695 Pyongyang KCNA in English 0445 GMT 17 Mar 95

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA)—The great leader Comrade Kim Chong-il sent an 80th birthday table and a 60th birthday table to repatriates from Japan Pak Hyong-kyu and his wife Kang Mun-ok residing in Sohung-tong, Moranbong District, Pyongyang municipality. The birthday tables were conveyed to them on March 15.

Before coming back to the socialist homeland, the couple lived in Japan, devoting themselves to the patriotic work of the General Association of Korean Residents in Japan (Chongnyon).

They received thanks of Comrade Kim Chong-il several times for their sincere assistance to the People's Army and the grand socialist construction sites.

Pak was 80 years old and his wife 60 years old last year. But they did not celebrate their birthdays, resolved to do a lot of things for the implementation of the great leader President Kim Il- song's behests.

Receiving the birthday table, Pak said he could enjoy his life in his old years because he was embraced by the socialist homeland and vowed to always remain faithful to the Workers' Party of Korea, which established this benevolent social system.

Raul Castro Visits Embassy in Cuba 10 Mar

SK1703065295 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 13 Mar 95

[FBIS Translated Text] Comrade Raul Castro, second secretary of the Cuban Communist Party Central Committee; first vice president of the Republic of Cuba's Council of State; and Minister of the Revolutionary Armed Forces, paid a friendly visit to the DPRK Embassy in Cuba on 10 March.

Members of the Politburo of the Cuban Communist Party Central Committee Juan Almeida Bosque, vice president of the Council of State and revolutionary (?major), and Ulises Rosales del Toro, chief of the General Staff of the Revolutionary Army and lieutenant general; members of the party Central Committee (Pedro M. Perez Petancort), vice minister of the Revolutionary Armed Forces and Navy commander, and (Juan Martinez Buente), vice minister of the Revolutionary Armed Forces and commander of the Antiaircraft Artillery Command; Lieutenant Gen. (Heses Bermudez), chief of the intelligence bureau; Major Gen. (Albar Lopez), chief of the operations bureau; Maj. Gen. (Leonard Andoyo), chief of the Army Engineering Bureau; Maj. Gen. (Louis Perez), chairman of the munitions office; and Maj. Gen. (Antonio Concepcion), chief of an office of the Secretariat, accompanied Comrade Raul Castro.

DPRK Ambassador to Cuba Kim Sung-yong and a military attache of the embassy welcomed Comrade Raul Castro.

In connection with Comrade Raul Castro's friendly visit, our country's ambassador arranged a dinner. Our country's ambassador and chief of the General Staff of the Cuban Revolutionary Army made speeches at the dinner.

Participants drank a toast for the eternal life of the great leader [suryong] Comrade Kim Il-song; for the long life of the great leader [yongdoja] Comrade Kim Chong-il; and for the long life of Comrade Fidel Castro, the supreme leader of the Cuban revolution, and the respected Comrade Raul Castro.

During the dinner, Comrade Raul Castro asked the ambassador to convey his most warm and sincere greetings to the great leader [yongdoja] Comrade Kim Chong-il. He said under the banner of the chuche idea, which was created by the great leader [suryong] Comrade Kim Il-song, the Korean people are successfully constructing socialism through their own strength, and also said that the Cuban people must also actively learn the chuche idea.

He pointed out that today, the Korean people are struggling without the slightest wavering possessed with loyalty toward the leader [suryong]; loyalty toward the party; loyalty toward socialism; and loyalty toward the country's sovereign rights. He said that after socialism was frustrated in some countries socialism is suffering from some difficulties today but it is only temporary, and emphasized that the fact that socialism will be victorious without fail is a truth as clear as daylight.

He said that he is of the firm belief that Korea's reunification will be achieved without fail. He also said that he is certain that the friendly relations between the two countries of Cuba and the DPRK will continue to strengthen and develop in the future.

Delegation Returns From Kazakhstan, Kyrgyzstan

SK1703023995 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 12 Mar 95

[FBIS Translated Text] The delegation of the Committee for Cultural Relations with Foreign Countries led by its Vice Chairman (Kim Myong-su), which visited Kazakhstan and Kyrgyzstan, returned home on 12 March by train.

Delegation Leaves To Attend IPU Conference

SK1603111895 Pyongyang KCNA in English 1050 GMT 16 Mar 95

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA)—A delegation of the Parliamentary Union of the Democratic People's Republic of Korea led by Yi Mong-ho, vice-chairman of the Union and Secretary General of the Standing Committee of the Supreme People's Assembly [SPA] of the DPRK, left Pyongyang today to participate in the 93rd conference of the inter-parliamentary union to be held in Spain.

It was seen off at Pyongyang Railway Station by Yu Ho-chun, member of the Standing Committee of the SPA and director of the Secretariat of the Central Committee of the Democratic Front for the Reunification of the Fatherland.

Economic Delegation Returns Home From Bangladesh

SK1603075495 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 11 Mar 95

[FBIS Translated Text] The economic delegation of the DPRK Government that visited Bangladesh, led by Yi Song-tae, chairman of the External Economic Committee, returned home by plane on 11 March. Choe

Tong-su, vice chairman of the External Economic Committee, and other functionaries of relevant sectors, greeted the delegation at the airport.

Kim Chong-il Replies to Foreign Telegrams

SK1703052995 Pyongyang KCNA in English 0428 GMT 17 Mar 95

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA)—The great leader Comrade Kim Chong-il sent telegrams to foreign party and state leaders in reply to their congratulatory telegrams on his birthday.

Reply telegrams were sent to Khamtai Siphandon, chairman of the Central Committee of the Lao People's Revolutionary Party and prime minister of the Lao People's Democratic Republic; Nouhak Phoumsavan, president of the Lao People's Democratic Republic; Ilyas Harawi, president of the Republic of Lebanon; Hafiz al-Asad, general secretary of the Arab Socialist Baath Party and president of the Syrian Arab Republic; Norodom Sihanouk, king of the Kingdom of Cambodia; Norodom Ranariddh, first prime minister, and Hun Sen, second prime minister, of the Cambodian Government; Chea Sim, president of the National Assembly of Cambodia; Jabir al-Ahmad al- Jabir Al Sabah, amir of the Sheikdom of Kuwait; Sheikh Saad al- Abdallah al-Salim Al Sabah, successor to the amir and prime minister of Kuwait; Sardar Farooq Leghari, president of the islamic republic of Pakistan; Benazir Bhutto, prime minister of Pakistan; Yasir 'Arafat, president of the state of Palestine, chairman of the executive committee of the Palestine Liberation Organisation and head of the Palestine National Authority; Glafcos Clerides, president of the Republic of Cyprus; Hussein the First, king of the Hashemite Kingdom of Jordan; Soeharto, president of the Republic of Indonesia; Ali Abdallah Salih, president of the Republic of Yemen; Jerry John Rawlings, president of the Republic of Ghana; Yahya J.J. Jammeh, chairman of the Armed Forces Transitional Ruling Council and head of state of the Republic of Gambia; Lansana Conte, president of the Republic of Guinea; Sani Abacha, head of state and commander-in- chief of the Armed Forces of the Federal Republic of Nigeria; Muammar al-Qadhafi, leader of the Great September 1st Revolution of the Great Socialist People's Libyan Arab Jamahiriya; Alpha oumar Konare, president and head of state of the Republic of Mali; Blaise Compaore, president, head of state and chairman of the Council of Ministers of Burkina Faso; mohamed abdelaziz [name as received], president of the Saharan Arab Democratic Republic and general secretary of the Polisario Front; Umar Hasan Ahmad al-Bashir, president of the Republic of the Sudan; Valentine Esegragbo Melvin Strasser, head of state and chairman of the National Provisional Ruling Council of the Republic of Sierra Leone; France Albert Rene, president of the republic of seychelles; Obiang Nguema Mbasogo, president and head of state of the Republic of Equatorial Guinea and founder-chairman of the Democratic Party of Equatorial Guinea; Ali Hassan Mwinyi, president of the United Republic of Tanzania; Henri Konan Bedie, president of the Republic of Cote d'Ivoire; Pascal Lissouba, president of the Republic of the Congo; Gnassingbe Eyadema, president of the Republic of Togo; Zine El Abidine Ben Ali, president of the Republic of Tunisia; Liamine Zeroual, president of the Algerian Democratic and People's Republic; Meles Zenawi, president of the transitional Government of Ethiopia; Muhammed Hosni Mubarak, president of the Arab Republic of Egypt; Boris Nikolayevich Yeltsin, president of the Russian Federation; kiro gligorov [name as received], president of the Republic of Macedonia; Ugo Mifsud Bonnici, president of the Republic of Malta; Zoran Lilic, president of the Federal Republic of Yugoslavia; Cheddi Jagan, president of the Cooperative Republic of Guyana; George Brizan, prime minister of Grenada [name and post as received]; Violeta Barrios de Chamorro, president of the Republic of Nicaragua; Owen Arthur, prime minister of Barbados; Colvill N. Young, governor-general of Belize; Manuel Esquivel, prime minister of Belize; Noor Hassanali, president of the Republic of Trinidad and Tobago; Raul Castro Ruz, second secretary of the Central Committee of the Communist Party of Cuba and minister of the Revolutionary Armed Forces of the Republic of Cuba; Kennedy Simmonds, prime minister of St. Kitts-Nevis; and Lester Bryant Bird, prime minister of Antigua and Barbuda.

In his replies, Comrade Kim Chong-il expressed deep thanks for the warm congratulations and best wishes they extended to him on his birthday.

He also expressed the belief that the traditional relations of friendship and cooperation between the DPRK and these countries would grow stronger and develop.

Kim Kwang-chin's Report at KPA Company Meeting

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[Report delivered by Kim Kwang-chin, vice marshal of the Korean People's Army (KPA), member of the DPRK National Defense Committee, and member of the party Central Military Commission, to a meeting of KPA company commanders and political instructors; place and date not given—read by announcer]

[FBIS Translated Text] Today, in the presence of the respected and beloved comrade supreme commander, the great leader [yongdoja] of our party and people, we are holding a meeting of KPA company commanders and political instructors under the grandiose circumstances in which all people across the country, as well as the officers and men of the People's Army, are applying forceful spurs to the general onward march to achieve the fatherland's reunification in the 1990's by all means [kioi] and to further enrich our country, our fatherland, by firmly rallying in a single-hearted mind and heart around the respected and beloved supreme commander

Comrade Kim Chong-il, who is our fate and the banner of socialism, having seen out 1994 with bitter tears.

The respected and beloved comrade supreme commander, who always pays high-priority attention to increasing our military capabilities while placing our People's Army as the main force for the consummation of the revolutionary cause of chuche, has personally provided once again for a meeting of company commanders and political instructors, the largest-ever meeting in the history of army-building, and has given meticulous guidance and warm care so the meeting can be successfully held, following the recent convocation of the ninth meeting of the KPA agitators, in this meaningful year that marks the 50th anniversary of the founding of the Workers Party of Korea [WPK] and the fatherland's liberation. He extended the great trust and greatest honor to the meeting participants, even sending a congratulatory message from the party Central Military Commission to the participants.

The convocation of the meeting of KPA company commanders and political instructors reflects the respected and beloved comrade supreme commander's noble intention and firm will to highly display the dignity and honor of the great fatherland of Kim Il-song and to brilliantly realize the fatherly leader's lifetime wish on this land, while adhering to the People's Army and to the party as the lifeline of the revolution, accomplishing the revolutionary cause of chuche to the end.

This meeting will serve as an important opportunity to effect an epoch-making advance in strengthening the companies of the People's Army as one-is-a-match-for-a-hundred iron-willed militant ranks while also serving as a loyalty meeting that will forcefully display to the entire world the loyal conviction and invincible might of our People's Army, which is defending the revolutionary cause of chuche with the force of arms in a death-defying manner, upholding the respected and beloved supreme commander Comrade Kim Chong-il as the great leader [yongdoja] of our party and people in conformity with the fatherly leader's last wish.

The immense energy and efforts that the great leader [suryongnim] and the respected and beloved comrade supreme commander have devoted to strengthening the companies of the People's Army, while firmly adhering to the revolutionary strategy of laying emphasis on military capabilities, are warmly reflected in the proud and glorious course of our revolution that was pioneered with the force of arms under the banner of chuche and which has triumphantly marched forward, traversing the hills of bloody battles on the basis of strong self-defense capabilities.

Already in the first period during which he organized the chuche-type armed ranks, the great leader Comrade Kim Il-song devoted boundless energy and efforts to strengthening companies while defining companies as the cells and basic combat units of the revolutionary Armed Forces.

For the first time in history, as a result of the great leader's [suryongnim] formalizing companies as the cells and basic combat units of the revolutionary Armed Forces, the position and role of the companies in army-building and military activities have been scientifically elucidated; a central link that should be firmly adhered to in the building, strengthening, and developing of the revolutionary Armed Forces has been provided.

Companies of the Korean People's Revolutionary Army [KPRA] that developed as one-is-a-match-for-a-hundred militant ranks of loyalty, in which party spirit and military discipline were forged in the flames of the anti-Japanese armed struggle under the great leader's [suryongnim] wise leadership, served as the prototype for the cells of our revolutionary Armed Forces.

After national liberation, the great leader [suryongnim] put forth the question of strengthening companies and regularizing the military service of the soldiers as a high-priority task designed to build regular armed forces; he wisely led the work to solve this question. As a result, in a short period of time he strengthened and developed the KPRA into a revolutionary regular Army and emphasized strengthening the companies even during the period of the heated, gruesome fatherland liberation war.

The great leader [suryong], who elucidated the unique ideology that victory or defeat in tactics and combat is decided upon by the ideological consciousness of the soldier masses, thus strengthened the soldiers' political, ideological, and indoctrination work through teachings by the order of the supreme commander; thoroughly established chuche in military activities; and took wise measures to vigorously carry out various mass movements in the companies. Thus, the soldiers' political, ideological, and indoctrination work progressed without interruption, and various mass movements, including the exemplary company movement, were vigorously carried out. As a result, the political and military might of the companies was extraordinarily strengthened and treasured with the inevitable faith that the great leader [suryong] is the fatherland and we will be victorious without fail if the leader [suryong] exists. The soldiers of our People's Army highly manifested mass heroism and peerless sacrifice in every combat, establishing feats that will shine forever in the history of the fatherland.

The great leader [suryong] who put forth the strengthening of the company as a basic link in carrying out the chuche army-building cause also provided a training course for the chief sergeants of the company as the first work to strengthen the People's Army following the war, and personally participated in the commencement of the training course as well as taught the programmatic guideline for strengthening the company. In the 1960's, when the entire country was vigorously ablaze with the flames of the Chollima movement, he kindled the torch of the red-flag company movement, thus making the companies' militant might all the more strengthened.

In the 1970's, when our revolution emerged onto a new high stage, the great leader [suryong] convened the meeting of company commanders and political instructors, the first in the history of military-building. In the 1980's and 1990's, he provided various meetings for soldiers of the company and personally participated in the meetings to give programmatic teachings to strengthen the company, and took commemorative pictures with the participants of the meetings, thus bestowing the greatest glory.

On 25 December 1991, when emotions were new, the fatherly leader, who personally appeared at the meeting of company commanders and political instructors of the KPA, sentimentally recollected the days when he led our revolutionary Armed Forces, and very proudly declared that General Kim Chong-il, an outstanding great man having both literary and military achievements, was elected as supreme commander of the KPA in accordance with the consistent desire of our party, people, and officers and men of the People's Army, and gave a historic teaching on the Army's upholding the supreme comrade commander's leadership with loyalty.

The great leader [suryong], who accumulated immortal military-building leadership achievements in every chronicle of our revolution, visited companies regardless of rugged roads, sea routes with high waves, and spells of cold, dry weather or hot weather, to strengthen the companies. He walked and walked the road of on-the-spot guidance, amounting to thousands and tens of thousands of ri. The leadership achievement of the great leader [suryong] carved on this course will be immortal along with the history of chuche army-building.

Since there was the fatherly leader's endless pain and wise leadership, since he devoted all his energy to strengthening the company even up until the last minute before his great heart stopped beating, it was possible for our Army to defeat the U.S. and Japanese imperialists, who boasted of being the most powerful in the world, in two revolutionary wars, and to strongly develop into the main force of the revolution, firmly guaranteeing through force our party's cause.

Even though the great leader [suryong] Kim Il-song, the father of the nation, left our side, the leader's [suryong] high and noble name and benevolent image will be eternally kept ever so many times in the hearts of the soldiers of our People's Army. The chuche army-building cause pioneered by the great leader [suryong] is being endlessly intensified and developed at a new high stage under the wise leadership of General Kim Chong-il, the respected and beloved supreme commander, who is an outstanding military genius and the best distinguished general of the world.

The respected and beloved supreme comrade commander developed and enriched the great leader's [suryong] military ideology and theory on strengthening the company, and devoted endless contemplation and pain, thus wisely leading the work to strengthen the company.

The respected and beloved comrade supreme commander, who is leading the cause of chuche-based army-building along the single road of victory with his extraordinary wisdom and outstanding leadership, elucidated at an earlier stage the army-building program to remodel the entire Army along the chuche idea and presented a unique idea and policy to achieve it using companies as strongpoints, thus newly formulating key points that should firmly be adhered to in building the working class' revolutionary Armed Forces as well as strengthening and developing them.

At that first point in time when he began leading our revolutionary Armed Forces, the respected and beloved comrade supreme commander presented the slogan of loyalty "Let us fight for the great leader [suryongnim] by devoting our lives." By doing so, he clearly elucidated the goal of soldiers' shouldering rifles, enabling all companies to be strengthened as loyal ranks that death-defyingly safeguarded the party and the leader by carrying out broad and profound indoctrination in the principles of the chuche idea, in revolutionary traditions, in party policy, and in class indoctrination as well as indoctrination in socialism and patriotism, while basically adhering to the indoctrination of loyalty among the companies.

The respected and beloved comrade supreme commander has led all companies to accelerate revolutionizing the entire Army and remodeling the entire Army after the chuche idea by vigorously carrying out the movement to win the red flag of the three revolutions in all companies. He has also enabled all companies to advance the traditional virtue of commanders and soldiers, as well as of the Army and people, helping and leading each other and sharing their destinies like family members.

From the beginning, the respected and beloved comrade supreme commander, who put forward the revolutionary slogan "Training is combat" as well as the original four training principles, has taken various measures so that companies can thoroughly implement the party's training-is-first policy. Also, he has energetically led the work to establish a revolutionary military ethos and an iron-firm military discipline, and to modernize equipment in accordance with the characteristics of modern war and with the demand of chuche-based tactics, thus extraordinarily enhancing the companies' combat ability.

The respected and beloved comrade supreme commander has shown his boundless love and benevolent consideration by solving problems in the soldiers' material, cultural, and emotional life.

Army, Navy, and Air Force companies, which have developed as matchless combat ranks in the bosom of the great brilliant general, demonstrated the invincible and majestic appearance of our People's Army in various events, including the parade celebrating the 60th anniversary of the founding of the heroic KPA. As a result, our people and the revolutionary people of the world highly admire the respected and beloved General Kim Chong-il, who developed the People's Army as a strong army that no strong enemy can ever waylay, doing so by using his extraordinary wisdom and outstanding leadership as a great general of great generals and a man of great men.

Considering the reinforcement of companies as a starting and key point in strengthening the Armed Forces, the respected and beloved comrade supreme commander, who always led the People's Army along the single road of victory and honor, visited People's Army units and companies to inspire soldiers to register heroic feats.

On New Year's day, when he saw out the sorrowful 1994 and saw in the new year, the respected and beloved comrade supreme commander visited a People's Army company and presented programmatic tasks to strengthen the company both politically and militarily. He also posed for pictures with soldiers who had earnestly desired to see him, and sincerely cared for the soldiers' livelihood like their own father.

In early February, with the most felicitous national holiday ahead, the respected and beloved comrade supreme commander visited a women's coastal artillery company at the front where he congratulated soldiers on the result of their training; instilled them with one-is-a-match-for-100 wisdom and braveness; awarded automatic rifles to commanding members of the company as souvenirs; and worried about those women soldiers who have to face typhoons. He also showed the warm consideration of later sending precious medicine and medicinal cream to the women soldiers.

At a time when all the people and the entire Army were boundlessly delighted at the impressive news of his on-the-spot guidance to the KPA unit, the respected and beloved comrade supreme commander again visited a naval unit at the front to encourage sailors who keep the fatherland's seas impregnable, brightly elucidating the way for naval construction. He also posed for pictures with the sailors, and even gave them gifts of love.

Repeated on-the-spot guidance to companies in this new year by the respected and beloved comrade supreme commander is an expression of his great love and confidence in the officers and men of our People's Army; herein lies the comrade supreme commander's sublime intent to complete the chuche revolutionary cause by strengthening People's Army companies.

The respected and beloved comrade supreme commander, who firmly trusts commanders and political instructors of companies as valuable comrades with whom he will share life and death on the single road of the revolution, and who cares for their destinies and their future with responsibility, understood earlier than anyone else the company commanders' and political instructors' efforts, and so entitles company commanders and political instructors who have devoted their youth to strengthening their companies as new heroes, and endows the boundless benevolence of having the party take charge of their children's education, thus making our commanders and political instructors of companies live forever in the party's memory.

Under the brilliant general's concern, all companies that are cells of the People's Army have become reefs and shields upholding and protecting the party at the risk of death; thus, our People's Army has developed and strengthened today as a strong Army of single-hearted unity that is perfectly united around the respected and beloved general, and is the main force of the Korean revolution that firmly guarantees the chuche revolutionary cause with arms.

Thanks to General Kim Chong-il, who has peerless braveness and distinguished wisdom, the great Kim Il-song's people and People's Army have endless honor and a brilliant future; it is the greatest fortune and greatest honor of our people and People's Army soldiers that they are blessed with great leaders, from generation to generation, upholding General Kim Chong-il as the great leader [yongdoja] of the revolution and as the supreme commander of the revolutionary Armed Forces.

In the past, various party organizations of the People's Army, as well as commanders, the general staff, and political departments, constantly strengthened organizational and political work as well as learning encouragement work in order to implement the great leader's teachings and the respected and beloved comrade supreme commander's orders and directions, faithfully upholding the leadership of the respected and beloved comrade supreme commander so they could achieve great results in strengthening companies both politically and militarily.

One of the important results achieved in strengthening companies during the previous period of time is, above all, that all companies have been educated and strengthened to be loyal and filial combat troops, stoutly carrying out the work to firmly establish among party members and soldiers the Army-leading system of the respected and beloved Supreme Commander General Kim Chong-il.

Party organizations within companies, as well as leading members of the companies, consider it the ultimate goal in strengthening companies to establish in each company the Army-leading system of the respected and beloved Supreme Commander General Kim Chong-il, and carry out the broad and profound indoctrination of party members and soldiers in the greatness of the respected and beloved comrade supreme commander in various forms and styles, thus strengthening all companies as faithful combat ranks.

Those companies that received on-the-spot guidance by the great leader and the respected and beloved comrade supreme commander more than 40 times have prepared on-the-spot guidance calenders, and are systemically indoctrinating party members and soldiers in the greatness of the fatherly leader and of the respected and beloved comrade supreme commander and in their leading achievements.

Those companies also hold meetings to express their resolution in front of the on-the-spot guidance monument at each company when soldiers are mobilized to militant duties and whenever they are faced with difficult militant tasks, vigorously inspiring the soldiers to be loyal and to register feats, recalling the course of the on-the-spot guidance.

The company, which had the honor of receiving on-the-spot guidance from the respected and beloved supreme commander on New Year's Day this year, made a collection of the respected and beloved comrade supreme commander's revolutionary episodes and data for the indoctrination of his greatness, then conducted meetings presenting his greatness, meetings presenting his revolutionary episodes, and meetings on the resolutions of loyalty for the soldiers with a plan made in advance, thereby firmly preparing all soldiers to be absolute worshipers of the respected and beloved comrade supreme commander as well as the guns and bombs defending the comrade supreme commander at the cost of their lives.

The commander and political instructor of the company that had the great honor of being visited by the respected and beloved comrade supreme commander on the festive holiday of February persistently kept up the organizational and political work to implement the remarks made by the comrade supreme commander during his on-the-spot guidance and intensified the indoctrination through actual weapons, equipment, and historical places so the soldiers may help and encourage one another and bring forth unprecedented innovations in combat duty, combat training, and military life.

Company commanders and company political instructors in the past have placed major emphasis on indoctrination work to arm party members and soldiers with the same firm faith, loyalty, and high revolutionary consciousness that the first and second generations of the revolution possessed. Party organizations within companies that shine with the names of heroes, such as the hero Yi Su-pong Company and the heroine Cho Kun-sil Company, effectively conducted the indoctrination through examples of combat exploits of revolutionary vanguards of the 1920's and 1930's about whom the great leader wrote in his memoirs, and of the heroes turned out by their own companies, so that young soldiers of the revolution's third and fourth generations can steadfastly hold the relay baton of the revolution and inherit the sublime tradition of defending the leader as well as the noble patriotic faith of the revolutionary predecessors from generation to generation.

In the exploits registered by the soldiers of the companies of the People's Army dwell the burning loyalty and unheralded efforts of company commanders and company political instructors who devoted their noble perspiration and young life to raise party members and soldiers to be true loyalists and faithful dutiful children of the party and leader.

Comrade Ku Yong-chu, the former company commander who was the first flight pilot hero of the 1990's, and who now enjoys everlasting life in the memory of our party, was one of the true loyalists who demonstrated by practice how the revolutionary fighter of the great brilliant commander should live and struggle.

In the rank of loyalists who uphold the respected and beloved comrade supreme commander's leadership with loyalty was a company commander who laid down his life without hesitation and who died saving the lives of tens of soldiers and valuable facilities.

The loyalty and filial dutifulness of the commanding personnel of the company to the respected and beloved comrade supreme commander was displayed more highly during the mourning period for the great leader, the sun of the revolution and the eternal father of the nation whom our people were blessed with upholding for the first time in the thousands of years of our history.

Company commanders and company political instructors have in the past conducted work for the soldiers like elder brothers and elder sisters, and actively contributed to strengthening the company into a pure ideological body that breathes and moves with the respiration of the party and into a one-is-a-match-for-a-hundred militant rank.

Thanks to the sincere efforts of company commanders and company political instructors, today the ideological and spiritual trait of the soldiers of our People's Army have changed distinctly, and the might of the People's Army is exceedingly strengthened.

Our soldiers, who regard defending the country as the highest patriotism, are silently devoting their young lives to defending the security of the socialist fatherland and implementing our party's grand plan of socialist construction by advancing, with their discharge knapsacks on their backs, to the coal mines, mines, and rural areas rather than to their dear home villages, responding to the party's call.

Another important success in strengthening the company is that the companies have been further strengthened in military technology and brought up to be one-is-a-match-for-a-hundred militant ranks.

Strengthening the company militarily and technically, basics of a combat unit, is an important guarantee in enhancing the combat strength of the People's Army. In the past, with indomitable will, the company commanders and political instructors vigorously carried out the struggle to implement the party's five-point training methods and four-point training principles, thus greatly contributing to strengthening the combat strength of the units. Also, by strengthening firing practice in all companies, more companies manifested the honor of being superior.

In the past, the company commanders and political instructors coped with the enemies' aggressive maneuvers, who were frantically running amok preparing for war to invade the North in behind-the-scenes dialogue, and vigorously carried out the struggle to prepare the company for combat mobilization and to strengthen combat work without the slightest indolence and slackness.

Last year, the company commanding members and soldiers of the front line hit with a single shot the U.S. imperialists' armed helicopter that invaded our territorial airspace, thus once again manifesting the invincible might of the People's Army and correctly showed the enemies that our warning is by no means empty talk.

The soldiers of our People's Army who bear in their hearts the faith of victory and indomitable fighting spirit, resolutely smashed [chitbusida] the enemies' reckless provocative maneuvers, which occurred around 435,000 times on the ground, on the sea, and in the air during the past 10 years. Thus, they honorably defended the fatherland's welfare and the people's happiness.

The dignity and honor of the great nation of Kim Il-song and the company commanders and political instructors filled with the promise of a defender who will advocate and defend the party and socialist fatherland, are establishing heroic feats in the struggle to fortify the posts and positions.

In the security of the prosperous chuche fatherland and our people's happiness lie the enthusiastic patriotism and traces of the highly valuable lives of our company commanders and political instructors. In the past, the company commanders and political instructors achieved many results in the work to establish a revolutionary military trait and iron-like military discipline in the company. Also, embraced with the faith of being entrusted with defending the fatherland and socialist construction, the company commanding members and soldiers highly built the tower of loyalty and tower of feats at every combat arena of the great socialist construction of building great monumental creations of the glorious Workers Party era to make my country and my fatherland all the more rich and powerful.

While fighting with the frenzied open sea, the company built a dam and reclaimed the Kumsung tideland, equivalent to one district of cultivated land, thus expanding the map of the fatherland. The company received the honor of the fatherly leader's [suryong] teaching of praise and gratitude on many occasions. The company commanding members and soldiers who were mobilized in the second phase construction of Chongnyu bridge overfulfilled daily construction targets by manifesting an indomitable fighting spirit and high revolutionary spirit even under the unfavorable winter season conditions by highly upholding the slogan of loyalty of "What the party decides, we will do." They showed the respected and beloved general's fighters' one-a-match-for-a-hundred spirit and militant work habit well.

Through the work to strengthen the company, great progress was made in improving the soldiers' living standards. The company commanding members carried out the company's economic life tenaciously and methodically, thus enhancing the soldier's living standards one level higher. The company commanders and political instructors devoted sincere perspiration to guarantee better military service conditions to the soldiers. To improve the level of the soldiers' material lives and military service conditions possessed with the devoted soldier-serving spirit, there are many company commanders and political instructors who are exerting themselves by being the first to be exposed to cold winds, rain, and snow. In the worthwhile struggle to strengthen the company, many company commanders and political instructors acquired the honor of receiving the great leader [suryong] and the respected and beloved supreme comrade commander's citations and thanks, and many companies grew up to become the Three-Revolution Red-Flag Movement.

All these results achieved in the struggle to strengthen companies are brilliant products of the wise leadership of the fatherly leader and respected and beloved supreme commander General Kim Chong-il, who presented the unique army-building idea and methods and made every effort to realize them without sleep or rest; and valuable fruit of the boundless love and warm consideration of commanding members and soldiers of our companies.

Here on the rostrum of this meaningful meeting, I extend the greatest honor and the warmest gratitude to respected and beloved supreme commander Comrade Kim Chong-il, who has always led our People's Army along the single road of victory and honor and is warmly caring for the commanders and political instructors of our companies like their own father, along with all the meeting participants' and People's Army soldiers' boundless admiration of and burning loyalty to him.

Today, our revolution keenly requires our People's Army to be further strengthened as the main troops for the completion of the chuche revolutionary cause. In order to successfully fulfill this historic mission that the People's Army faces, it is needed to further strengthen companies, which are cells of the People's Army, and primary combat units politically, ideologically, militarily, and technologically.

Respected and beloved supreme commander Comrade Kim Chong-il noted:

The People's Army must continue to make great efforts to firmly prepare companies, primary combat units, and key components in strengthening the entire Army politically and ideologically and to complete companies' combat-readiness in conformity with the demand of modern war.

Commanders and political instructors of companies should deeply be aware of their duties as the fighters of the great leader and the respected and beloved comrade supreme commander and should devote themselves to the work of thoroughly implementing teachings and instructions given by the fatherly leader and the respected and beloved comrade supreme commander on strengthening People's Army companies.

First, they should vigorously struggle to strengthen companies as loyal, filial, and iron-strong combat ranks that faithfully uphold the leadership of the respected and beloved comrade supreme commander.

Bearing the slogans "The great leader Kim Il-song is with us forever" and "Let us more thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary idea" deep in mind, commanders and political instructors of companies should intensify the education of soldiers. By doing so they should make soldiers capture the character of the great leader's revolutionary idea, resolutely defend and protect his immortal revolutionary achievements, bear the great dignity and pride in being the honorable Kim Il-song's people, and highly uphold the fatherly leader forever.

Commanders and political instructors of companies should carry out broad and profound indoctrination of soldiers in the greatness of the respected and beloved comrade supreme commander, so as to firmly prepare all soldiers as absolute admirers of the great General Kim Chong-il and as rifles and guns that resolutely protect the general.

Commanders and political instructors of companies should also make a resolute determination to protect the red banner of the revolution at the risk of death, as well as to let burning hostility seethe in the hearts of party members and soldiers, by intensifying their indoctrination in the principles of the chuche idea and in the revolution, as well as in class indoctrination.

Commanders and political instructors of companies make all companies become loyal and filial combat ranks firmly united with one another, based on their loyalty to the respected and beloved comrade supreme commander and their revolutionary comradeship.

Party organizations, commanders, and political instructors of companies should effectively carry out indoctrination of soldiers in socialism and patriotism in various forms and styles, so as to make soldiers devote all they have to the sublime struggle for the growth and prosperity of the fatherland, deeply bearing the dignity of considering our country, our fatherland, and the bosom of great General Kim Chong-il, to be the best, and bearing faith in socialism.

Along with this, the struggle to establish revolutionary military morale should be vigorously carried out in the Army so that all the soldiers display the revolutionary soldier's spirit with which they would not hesitate to dash into water or fire at the order and instruction of the respected and beloved comrade supreme commander and unconditionally implement the orders to the end. Company commanders and company political instructors should be deeply conscious of their mission of the times and revolution and complete the preparations for the companies to fight as soon as possible. [chungdaeui saum chunbirul harupalli wansonghayoya hagesumnida].

Bearing deep in their hearts the great leader's [suryong] teaching of his lifetime that the first, the second, and the third most important things in the Army are all combat training, company commanders and company political instructors should organize and carry out combat training as if it were actual combat, with fighting spirit in accordance with the demand of the party's slogan "Training is also combat," and devote all their wisdom and energy in making all the soldiers energetic one-a-match-for-a-hundred fighters [saumkkun] possessing prompt and superb tactics, bull's-eye marksmanship, and iron-strong bodies.

Company commanders and company political instructors should flawlessly keep personnel, weapons, and combat technique equipment in constant preparedness for deployment and carry out various combat services with alertness so that any enemy cannot touch an inch of the sacred land or a blade of grass in our Republic. Company commanders and company political instructors should improve the Army's regularized appearance [chonggyuhwajok myonmo] and make the ethos of Army-civilian unity bloom everywhere. Company commanders and company political instructors should provide the soldiers with better living conditions and arrange diverse popular cultural work and off-duty activities on Sundays to make the company always lively.

In order to strengthen the companies, company commanders and company political instructors should possess communist, militant, and moral traits and high qualifications. They should firmly unite in ideology and will as comrades and join forces in carrying out and coordinating all large and small projects of the company.

In accordance with the development of the reality, company party organizations and commanding members of companies should more vigorously carry out the Three-Revolution Flag Movement and effect new miracles and innovations in implementing military missions. Company party organizations and primary groups of the League of Socialist Working Youth of Korea [LSWYK] should discuss all military and political tasks of the company at the right time, and properly distribute assignments to party members and LSWYK members, and keep them active.

Upholding the party's slogan "The entire party goes into the masses," party organizations of all levels, commanding officers, staff, and political departments should make all working people visit companies according to a schedule, and earnestly help and teach company functionaries properly carry out their duties.

The future of our revolution is still arduous, but as long as we have the number-one general in the world General Kim Chong-il, who is respected by all the people, the future of our revolution is endlessly bright, and the chuche socialist cause will be ever-victorious and indomitable.

Let us all uphold the great leader [yongdoja] of our party and people General Kim Chong-il, who is our eternal destiny, the ever-victorious banner, life of socialism, until the end of the sun and the moon, and more vigorously fight on for the ultimate victory of the reunification of the fatherland and the chuche revolutionary cause, as befitting revolutionary fighters and disciples of the great leader [suryong].

Hurrah for the revolutionary ideology of the great leader of our party and people Comrade Kim Il-song! Hurrah for Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, and the respected and beloved supreme commander!

Paper on 'Beautiful Trait' of Army-People Unity

SK1703102895 Pyongyang KCNA in English 1022 GMT 17 Mar 95

["NODONG SINMUN on Bringing Beautiful Trait of Army-People Unity Into Fuller Bloom"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA)—The beautiful trait of Army-people unity should be brought into fuller bloom in keeping with the development of the realities where it is displaying at a new high level under the wise guidance of the respected supreme commander Comrade Kim Chong-il, stresses NODONG SINMUN in an editorial today.

The editorial says:

The unity of the Army and the people in one mind is the source of the invincible might of Korean-style socialism and a sure guarantee for successful accomplishment of the revolutionary cause of chuche.

The Army-people unity was created during the anti-Japanese revolutionary struggle organized and guided by the great leader Comrade Kim Il-song and is the traditional beautiful trait that has been displayed with the victorious progress of the Korean revolution.

The traditional beautiful trait of Army-people unity has been brought into fuller play on the way of holding the great leader Comrade Kim Chong-il in high esteem as chairman of the National Defense Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army.

This trait is the source of our invincible singlehearted unity around the great leader Comrade Kim Chong-il.

Upholding the high intention of the respected supreme commander, the Army loves the people and the people assist the Army actively in Korea, so that the unity between the Army and the people is being firmly cemented as the most solid and kindred unity around one centre, unity based on one ideology and will.

No force on earth can break this unity between the Army and the people which has been consolidated and developed in practical struggle.

The bond of kinship between the people's Army and the people is serving as a most powerful strength in resolutely defending Korean- style socialism.

Although the imperialists are now intensifying anti-socialist campaign in a vicious way, socialism of Korea is making a long drive because the Army and the people are united around the great leader Comrade Kim Chong-il.

The Korean People's Army has grown to be an unrivalled strong Army with invincible might thanks to active support, material and moral, of all people.

The Army-people ties of kinship have become a most powerful weapon in the sacred struggle to make our country, our motherland more prosperous.

The People's Army and the people of Korea are now advancing as an integral whole, helping and leading each other along, under the far- reaching plan of the great leader Comrade Kim Chong-il for the building of the country.

To bring into fuller play the beautiful trait of Army-people unity, all people and the officers and men of the People's Army should firmly rally in one mind with intense loyalty to the respected supreme commander Comrade Kim Chong-il.

Paper Stresses Need for 'Great National Unity'

SK1703103595 Pyongyang KCNA in English 1028 GMT 17 Mar 95

["Short Cut to Reunification Is Great National Unity"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA)—NODONG SINMUN today carries an article stressing that a short cut to reunification is great national unity.

In order to achieve the cause of national reunification at an early date, the whole nation should be firmly united, first of all, the author of the article says, and goes on:

Those who view the destiny of the nation with concern, whether they are in the North or in the South or abroad, they are Communists or nationalists, haves or have-nots, atheists or theists, must turn out all together in the struggle for national reunification, transcending all the differences.

The great unity of the whole nation is more indispensable for reunification under the condition that the Kim Yong-sam group is viciously resorting to the anti-national, anti-reunification manoeuvres, laying bigger obstacles in the way of national reconciliation, unity and reunification.

At present, the Ten-Point Programme of the Great Unity of the Whole Nation is a guideline in achieving the great unity of our nation. The Ten-Point Programme which the great leader President Kim Il-song worked out and published, consummating the great idea of great national unity is a political charter of great national unity and a great program of national reunification. It is a precious wealth for our fellow countrymen which cannot be exchanged for anything.

Every member of the nation must make a tangible contribution to the reunification of the country, those with strength devoting it, those with knowledge dedicating it and those with money donating it.

The peaceful reunification of the country cannot be expected as long as the traitor Kim Yong-sam who blocks national reconciliation, unity and reunification while depending on outside forces remains in power. The whole nation must wage a nationwide struggle to overthrow the traitor Kim Yong-sam in firm unity.

All the pro-reunification patriotic forces who want national unity and reunification must crush the obstructions of the splittists and hold the August 15 Grand Reunification Festival successfully so as to make this year a significant year which will open a new chapter for a reunified country.

Kim Chung-nin, Chang Chol Attend Youth Meeting

SK1603053095 Pyongyang KCNA in English 0442 GMT 16 Mar 95

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA)—A national meeting of youth and school children for spring tree-planting was held at the construction site of the monument to the foundation of the Workers' Party of Korea in Pyongyang Wednesday.

In his report Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth of Korea, said that after the liberation of the country, the great leader Comrade Kim Il-song mounted Munsu Hill and planted trees, kindling the first torchlight of tree-planting. Respected General Kim Chong-il planted and tended trees on Mt. Changja in the period of the fatherland liberation war, laying the beginning of a mass movement of tree-planting, he said, adding:

Under the wise leadership of the great leader and the respected general the brisk tree-planting drive has been conducted by youth and school children in the past. As a result, thick forests of the League of Socialist Working Youth and the Children's Union have been created throughout the country.

The reporter said that today the LSWYK [League of Socialist Working Youth in Korea] organisations and youth and school children are faced with a task to make all mountains luxuriant under the leadership of the respected general, true to the lifetime intention of the great leader.

He called upon them to actively turn out in a tree-planting drive for the everlasting prosperity of the country.

The meeting was attended by secretary of the Central Committee of the Workers' Party of Korea Kim Chung-nin, vice-premier of the Administration Council Chang Chol and other officials concerned.

Industrial Sectors Achieve Production 'Upsurges'

SK1603123595 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 13 Mar 95

[FBIS Translated Text] Upholding the great leader [yongdoja] Comrade Kim Chong-il's autographic letter to the entire people at the beginning of the new year, functionaries and the working class of the metal industrial sector are effecting upsurges in the production of facilities and spare parts necessary for various sectors of the national economy to maintain a high and steady rate of production.

Having revolutionary zeal to brilliantly glorify with high labor results this meaningful year that marks the 50th anniversary of the party foundation, various plants and complexes, including the Nagwon Machinery Complex, the Sopyongyang Bearing Plant, and the Hoeryong Mine Machinery Plant, are vigorously pushing ahead to produce and guarantee facilities and spare parts for coal production.

The August 9 Plant, the Sariwon Mine Machinery Plant, and the March 25 Plant highly display the spirit of self-reliance, thus achieving great accomplishments as of 12 March in overfulfilling their quotas in producing bearings for coal trucks.

With a deep awareness of the importance to produce more electricity to carry through the party's revolutionary economic strategy, functionaries and the working class of the Yongsong Combined General Bureau of Machinery and the Taean Heavy Machinery Complex are also displaying the revolutionary spirit of self- reliance and fortitude, and are achieving great innovations in the production of various kinds of facilities and spare parts necessary for the equipment and maintenance of thermal power stations.

Plants and complexes in the machinery industrial sector, including the September 18 Plant, are scrupulously carrying out the economic organization work to increase the production of facilities that are necessary for the rail transport sector.

* Rapid Development of Local Industry Featured

952C0071B Pyongyang MINJU CHOSON in Korean 22 Dec 94 p 1

[Article by reporter Kim Ki-pok: "Fast Developing Local Industry"]

[FBIS Translated Text] The dear leader Comrade Kim Chong-il pointed out as follows: "If counties develop local industry by their own efforts and solve people's livelihood problems, they can help develop all localities in the country evenly and contribute to the acceleration of overall socialist construction."

Brilliant results have been achieved in the development of local industry this year under the sagacious leadership of the great leader and the dear leader.

The great leader clarified in concrete terms the place and role of local industry in the implementation of the party's revolutionary economic strategy, indicated one by one the directions and methods for the development of local industry, and personally led the task to radically improve the living conditions of the people by further consolidating the foundations of local industry.

The dear leader, who is carrying on the lofty desires of the fatherly leader, has been wisely leading the efforts to mobilize and utilize the potential of the local economy as effectively as possible and to bring about a new improvement in the production of daily necessities, by enhancing the role of the county. The dear leader has personally commanded the struggle to learn from the examples set by the Chonchon County Commercial Management Office and Maengsan County in the effort to develop local industry and to creditably solve people's livelihood problems, by giving full play to the revolutionary spirit of self-reliance and fortitude.

Particularly in his laborious work "Let Us Bring About a Turn in the People's Livelihood by Enhancing the Role of the County," the dear leader clearly outlined ways to mobilize and utilize local raw materials and potential as much as possible, by giving full play to local initiatives as instructed by the late great leader.

The policy outlined in this work constitutes a great programmatic guideline for lightening the burden of the state and radically improving the people's livelihood, through the rapid development of local industry.

Upholding the desires of the fatherly leader and the dear leader, municipal and county functionaries and workers throughout the country waged a vigorous struggle to solve people's livelihood problems by their own efforts, through the development of the local economy.

Under the guidance of the county party committee, the responsible functionaries of government organizations, as well as administrative and economic organizations in each county, worked out practical, dynamic, and realistic stage-by-stage goals for developing the local economy another notch, and organized and mobilized the masses in the struggle to achieve these goals, with wholehearted loyalty to the party and the leader.

As a result, a vigorous struggle was under way in all cities and counties throughout the country to mobilize local reserves and potential by giving full play to their initiatives.

First of all, marked progress was made in the development of local industry, which occupies an important place in the implementation of the party's revolutionary economic strategy.

With a firm determination to stand on their feet, functionaries in local industry waged an active struggle to consolidate various raw material bases and produce more raw materials by keeping these bases in good condition. As a result, thousands of chongbo of raw material cultivation bases and natural raw material bases were created throughout the country last year.

Tens of cities, counties, and districts, including the cities of Kaechon, Kusong, Sariwon, Hoeryong, and Sunchon; the counties of Sonchon, Pungso, Changpung, Kumgang, Yonggang, and Singye; and Chollima Districts, each created 70 to 100 chongbo of various bases for raw material cultivation.

On the other hand, a vigorous struggle was waged to utilize all kinds of raw materials, resources, and reserves to the maximum.

South Pyongan, North Hwanghae, Kangwon Provinces; Kaesong and Nampo Cities, and all other cities and counties throughout the country sought out and mobilized many more raw materials, resources, and reserves than before.

A struggle to expand the processing processes in local industrial plants was also waged vigorously as a mass campaign.

All local industrial factories set goals to modernize the production processes at a higher level and waged a strenuous technical innovation struggle to fulfill these goals.

As a result, 120 cities and counties—such as the counties of Sinhung, Kumya, Sakchu, Changsong, Pongsan, Onchon, Chaeryong, Anbyon, Tongchon, and the cities of Sinuiju and Kanggye—each modernized a number of production processes in their local factories.

In all cities and counties throughout the country a vigorous struggle was waged to create more bases for export goods production.

Many cities and counties, such as the cities of Najin-Sonbong, Tokchon, Sinpo, Kaesong, and Pyongyang and the counties of Yomju, Hwadae, Taegwan, Ongjin, Onchon, Yontan, and Saebyol, each created a number of modern bases for export goods production by their own efforts in one year.

As a result, the output of export goods has risen much from a year ago.

A struggle was waged as a mass campaign to fix county seats to appear more like the economic and cultural centers that they are and also to improve rural villages.

As a result, the appearance of the streets and villages in all cities and counties have become more beautiful.

Fresh progress has been made in land construction.

With the afforestation and riparian improvement projects vigorously carried out as a mass campaign, hundreds of thousands of chongbo of new forests have been created and hundreds of kilometers of rivers and rivulets repaired beautifully to serve as public recreation grounds. Hundreds of thousands of fine species of trees were planted along the rivers.

The roads, the face of the country, have taken upon a new look. More large-scale highways have been built and an additional hundreds of kilometers of existing roads repaired. A total of hundreds of kilometers of pedestrian roads have been paved neatly. Hundreds of thousands of trees have been planted along highways.

With the rapid development of the local economy, all localities in the country are developing evenly and an epoch-making change is taking place in the improvement of the people's livelihood.

Work Site Finds 'Alternative Sources of Fuel'

SK1703035195 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 13 Mar 95

[FBIS Translated Text] According to news by station reporter Choe Su-kil, functionaries and workers of Kosong automobile work site have found alternative sources of fuel and are making efforts to process them. So far, they have produced some 10 tonnes of various fuels.

Through the revolutionary spirit of self-reliance and fortitude, some 800 kg of gasoline and 500kg of diesel were extracted from each tonne of substitute fuel, and five tonnes of oil was found. They are not seeking the help of upper echelons in this endeavor, but are transporting hundreds of tonnes of materials and operating buses on their own, and are thus giving much benefits to the country.

Temple Masses Celebrate Day of Buddha's Nirvana

SK1603104995 Pyongyang KCNA in English 1035 GMT 16 Mar 95

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA)—Masses marking the day of Buddha's nirvana were held at temples in different parts of the Democratic People's Republic of Korea on March 15. They were attended by clergymen of the Central Committee of the Korean Buddhists Federation and its provincial, city and county committees, monks of temples and other believers.

Prior to the masses, they observed a moment's silence in memory of President Kim Il-song, the great father of the nation.

Buddhist rites took place before sermons and speeches.

The prayers and speakers said the Korean Buddhists in the North, the South and overseas must invigorate the movement for the country's reunification in solidarity and harmony with each other in order to eliminate the Koreans' sufferings from national division at an early date and bring about a turn in favor of reunification, true to Buddha's mandate for mercy, peace, reunification and harmony.

They said Korea should be reunified through confederacy under the banner of "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" put forward by the great President Kim Il-song. And they stressed that definite is the future of reunification in the '90s under the distinguished leadership of respected general Kim Chong-il, who is successfully implementing President Kim Il-song's intention for reunification.

They called on the Buddhists to actively participate in the Grand National Reunification Festival this year in celebration of the 50th anniversary of the country's liberation which will be of epochal significance in effecting a turn in favor of national reunification.

They bitterly denounced the separatists at home and abroad and called for a valiant struggle for removing the clan of Kim Yong-sam, a truculent anti-reunification element, and having the "National Security Law" abolished.

* Importance of County Workers' Role Highlighted

952C0071A Pyongyang MINJU CHOSON in Korean 22 Dec 94 p 1

[Editorial: "Let Us Enhance the Role of Functionaries in the Management of the County Economy"]

[FBIS Translated Text] Upholding the policy set by the dear leader Comrade Kim Chong-il for bringing about an improvement in people's livelihood by enhancing the role of the county, all counties across the country are currently engaged in a vigorous struggle to implement this policy. In this connection, it is very important to enhance the role of the functionaries in charge of county affairs.

The dear leader pointed out as follows: "The role of county functionaries in charge is very important in managing the country's economy..."

Enhancement of the role of county functionaries in the management of the county economy provides an important guarantee for developing the local economy and improving the people's living conditions.

Each county has an overall assortment of cultural as well as economic facilities directly related to the people's livelihood and is endowed with various natural resources and many reserves. Only by enhancing the role of the county and properly mobilizing and utilizing local resources and potential can each county resolve the people's livelihood problems in a timely fashion and by its own efforts and constantly improve the living conditions of its people, without saddling the state with too much of the burden. How to husband county housekeeping which is of great importance in developing the local economy, and how to improve the people's living conditions depend in large measure on the role of county functionaries.

County functionaries are the organizers and executors of struggles to implement party policy. Whether the role of the county is improved, whether the county economy is managed as intended by the party, depend on whether the functionaries in charge play their proper roles or not. Inasmuch as the policy intention of the party is realized through the activities of leading functionaries, only when the role of country functionaries in charge is enhanced, can the county manage its economy properly and solve all problems arising in the people's livelihood by its own efforts by actively mobilizing and utilizing local resources and potential.

Early on, the great leader Comrade Kim Il-song uniquely elucidated the place and role of the county in socialist construction and clarified in concrete terms the directions and methods for managing the national economy and proceeded to lay the foundations for developing local industries and the rural economy and improving the people's living conditions. This is a precious treasure bequeathed to us, and to add luster to this treasure is the noble duty of all our functionaries, including county functionaries.

All country functionaries must discharge their revolutionary duty by bearing in their minds that the most honorable and rewarding task for them in implementing the teachings of the late great leader and adding luster to the treasures he created for us is to bring about a new improvement in the people's livelihood by enhancing the role of the county.

To play their role satisfactorily in managing the county economy, county functionaries need above all to have a high degree of ideological readiness and a firm determination.

For functionaries to have a firm resolve and determination in the struggle to implement party intentions is the first prerequisite for producing high results in their work. Functionaries with a firm resolve and determination can work enthusiastically on their own initiatives and fulfill the set goals satisfactorily by breaking through the barriers with a high revolutionary spirit. The fields of county work are diverse and varied. Take the aspect of improving the people's living conditions for instance, the requirements are endless. Such being the case, only when functionaries have a firm resolve and determination to work for the people in an exemplary manner can they work hard quietly by devoting themselves to their work without bothering about whether the work is big or small, difficult or easy, dirty or clean, in the whole range of work from developing the local economy related to the county housekeeping down to tasks concerning the housekeeping of each household.

Every one of our functionaries is a revolutionary who pledged to devote his or her whole life to the well-being of the people as their faithful servant. County functionaries should consistently maintain their resolve and determination to carry out their pledges made to the party, not forgetting them even for a moment, and devote all their wisdom and energies to working for the good of the people to the end. More immediately, functionaries should work out detailed designs and operational plans and push whatever task they have undertaken to the finish, with a firm resolve and determination to thoroughly implement the party policy of bringing about an improvement in the livelihood of the people by improving the role of the county.

In order for functionaries to play their role satisfactorily in managing the county economy, it is necessary to give full play to the revolutionary spirit of self-reliance and fortitude.

The revolutionary spirit of self-reliance and fortitude is a resolute revolutionary stand to carry the revolution and construction through to the end by our own efforts—an indomitable fighting spirit to defend the banner of revolution without succumbing to any obstacle or difficulty.

Today our party demands that each country seek out and mobilize all local resources and potential as much as possible by effectively utilizing its natural and geological conditions and by husbanding the county economy by its own effort. For functionaries to give full play to the revolutionary spirit of self-reliance and fortitude is an important requirement in the implementation of party intentions. Only when functionaries lead the masses by the revolutionary spirit of self-reliance and fortitude, with wholehearted loyalty to the party, is it possible to turn disadvantageous conditions to advantages and make whatever necessary resources available, and effectively manage the economy in all localities, be they mountains, plains, or coasts.

Needless to say, it is not easy to manage the economy by our own efforts, by manufacturing what is nonexistent and seeking out more of what is in short supply. But revolutionaries have no right to succumb to obstacles, nor are they allowed even the slightest stagnation or stalemate. No matter how disadvantageous the given conditions may be, no matter how difficult and complex the given task may be, functionaries should launch their work in a revolutionary way and push it forward aggressively. They should work intensely and militantly without falling into indolence and laxity even for a moment, seek out all local resources and wherewithal inexhaustibly and create them where they are nonexistent, in the revolutionary spirit of self-reliance and fortitude, and at the same time, solve in timely fashion and by their own efforts problems encountered in managing the county economy. Functionaries should always serve as a model for the masses in practicing self-reliance, should mix with them, should plant a seedling of self-reliance deep among them in order to actively arouse broad circles of workers and lead them to live with the same spirit and elan prevalent in the days of the chollima upsurges. By so doing, they will be able to make the whole rank and file move spiritedly, give full play to the revolutionary spirit of self-reliance and fortitude, manage the county economy properly, and bring about a new improvement in the livelihood of the people.

To play their role satisfactorily in the management of the county economy, functionaries also need to give full play to the spirit of serving the people devotedly.

To devotedly serve the people is an important quality that county functionaries ought to possess. County functionaries are in charge of the domains directly related to the material and cultural aspects of the people's life. Accordingly, they should work harder than anyone else with a firm determination to devote their all to the service of the people. In default of this determination, functionaries would be unable to manage the county economy properly and fulfill their revolutionary duty as faithful servants of the people.

All county functionaries should exert themselves harder with a lofty ideological resolve to bring into full realization without fail the teachings of the late fatherly leader who was so concerned about making the lives of the people more bountiful, as well as with the spirit of serving the people devotedly. They should work out prospective goals and step-by-step plans to build the county well in a foresighted manner and improve the living conditions of the people systematically. These goals and plans should be drawn up in such a way as to fit in with the conditions in their county. Functionaries should execute each of these plans effectively.

Etching deep in their hearts the demand of the party slogan "Serve for the people!" functionaries should always organize and carry out every work from the point of view of the good of the people, and should actively organize and mobilize the energies and wisdom of the masses by putting their shoulders to the wheel of a difficult and laborious work ahead of others. They should never stop on the way after starting a task but methodically carry out organizational work in order to channel all efforts into solving immediate problems encountered in the people's living.

Upholding the dear leader Comrade Kim Chong-il's noble intention and plan, all county functionaries shall actively contribute to make the superiority and might of our own brand of socialism manifest themselves all the more powerfully than before, by better managing the county economy and bringing about a new improvement in the people's livelihood.

Progress of Pyongyang Freeway Construction Noted

SK1703134395 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 15 Mar 95

[FBIS Translated Text] Upholding the respected and beloved supreme commander Comrade Kim Chong-il's grand idea for building up the capital, builders at the Bridge Construction Office of the Pyongyang General Construction Bureau are registering heroic feats in building a multi-level crossway at Kumsong Street.

Station reporter Kim Chong-nam met with Comrade Yi Chun-son, chief engineer at the Bridge Construction Office of the Pyongyang General Construction Bureau.

[Kim Chong-nam] How are you doing? It seems the multi-level crossway at Kumsong Street, a main spot on the Musu-Yonmot road that is being built under our party's wise leadership, is being constructed at high speed.

[Yi Chun-son] Yes, it is. Our builders at the Bridge Construction Office of the Pyongyang General Construction Bureau are vigorously constructing the multi-level crossway at Kumsong Street, a main spot on the Munsu-Yonmot road, displaying their boundless self-sacrificing spirit and mass heroism out a sheer desire to hasten the day of delivering the report of faith and the report of loyalty to the respected and beloved comrade supreme commander.

In the past, we finished a 20,000-cubic meter earthwork and a 5,000-cubic meter rockwork three months ahead of schedule. We have also finished the basic concrete work and walling concrete work of the freeway bridge, and are now vigorously engaged in preparations for the ceiling concrete work.

Our functionaries are conducting planning, coordinating, and commanding work for organizational construction in conformity with the builders' upsurged zeal. They give priority to supplying materials to the engineering company, and concentrate all means and efforts on the ceiling concrete work, thus overfulfilling highly established daily militant tasks two or three times over.

In particular, builders at Workshops Nos. 1 and 4 in charge of building the freeway bridge have accomplished 50 percent of the total 1,100-cubic meters of ceiling concrete work.

In this vigor, we will continue to vigorously and excellently struggle to build a multi-level crossway at Kumsong Street of high- quality so as to complete the construction unconditionally by 15 April, five months ahead of schedule. By doing so, we will repay the party's great trust and expectations with our loyalty.

'Grand Monuments' Erected in Pyongyang Described

SK1603104695 Pyongyang KCNA in English 1025 GMT 16 Mar 95

[FBIS Transcribed Text] Pyongyang, March 16 (KCNA)—The monument to the party foundation is being built fast in Munsu Street on the bank of the River Taedong flowing through Pyongyang.

A plottage of the monument which is under construction on the occasion of the 50th founding anniversary of the Workers' Party of Korea (Oct. 10, 1945) totals more than 250,000 square metres.

The monument consists of a round platform 70 metres in diametre a ring-shape structure 50 metres in diametre symbolic of the singlehearted unity of the leader, the party and the masses, and three granite towers 50 metres high on it, depicting a worker, a peasant and an intellectual holding high a hammer, a sickle and a writing brush.

It is one more historical grand monument of our times to glorify for all ages the undying feat of the great leader President Kim Il-song who founded and steadily strengthened and developed the Workers Party of Korea, a revolutionary party of chuche type, and of the dear leader Comrade Kim Chong-il.

In Korea there are many monuments that represent the era.

Among the typical monument built in the 60s are the Chollima Statue and the monument to the Victorious Pochonbo Battle.

The state is composed of Chollima that was said in legend to cover a thousand yi in a day, galloping in the sky with his wings spread, a worker, spurring the Chollima on to leap forward, with the red letter of the Central Committee of the Workers Party of Korea in his raised hand and a young peasant woman seated behind him with a sheaf of ripe rice in her arms. It symbolizes the heroic spirit of the Korean people who are making rapid progress in socialist movement construction.

Among the monuments built in the 70s are the grand monument on Mansu Hill and the grand monument on Mt. Wangjae.

The grand monument on Mansu Hill in the heart of Pyongyang was built on the occasion of the 60th birth anniversary of the great leader President Kim Il-song.

The monument is composed of a bronze statue of President Kim Il-song in the centre, large memorial representing the period of the anti-Japanese revolutionary struggle and socialist revolution and socialist construction on either side of the statue and mosaic figure of Mt. Paektu behind the statue.

The Tower of the Chuche idea and the Arch of Triumph were built in the 80s.

The Tower of the Chuche Idea built in April 1982 stands 170 metres high. It is composed of 8 blocks of 25,550 granite stones as many days of the seven decades which symbolize the 70th birth anniversary of President Kim Il-song.

The Arch of Triumph erected at the same time with the Tower of the Chuche Idea is a four-storeyed stone building 60 metres high, 52.5 metres wide and 36.2 metres long.

It was erected at the historical place where President Kim Il-song made the first address before the Korean people on Oct. 14, 1945, after liberating the country by leading the hard-fought anti-Japanese revolutionary struggle to victory and returning home in triumph.

The grand monuments built under the energetic guidance of the great leader Comrade Kim Chong-il will shine forever, exalting the undying revolutionary feats of the fatherly leader generation after generation.

Late Revolutionary Poet Cho Ki-chon Profiled

SK1703102295 Pyongyang KCNA in English 1014 GMT 17 Mar 95

[FBIS Transcribed Text] Pyongyang, March 17 (KCNA)—Revolutionary poems and optimistic songs are widely recited and sung in all working sites in Korea.

The full-length epic "Mt. Paektu" with a strong agitation, appeal and militant spirit is one of works inspiring working people to a new feat.

The poem written by Cho Ki-chon, a well-known poet of Korea, in 1947 right after the liberation is still stirring up the hearts of all people.

In the poem he vividly represented on a grand epical canvas the immortal revolutionary feats of the great leader President Kim Il- song, who brought liberation to the Korean people by organising and leading the glorious anti-Japanese armed struggle, shouldering the destiny of the country and nation in the dark period of the Japanese imperialist colonial rule.

The poem tells about the imposing mettle of Mt. Paektu, the holy mountain of revolution, the greatness of President Kim Il-song, a legendary hero who sent a tremor through the Japanese imperialist aggressors with superb tactics, leaping over mountains, and the great joy and emotion of the Korean people who acclaimed him when he returned home in triumph. This is why it makes the people look back on the whole life of Cho Ki-chon (1913-1951), who was a passionate revolutionary poet.

Born into a destitute farmer's family in Hoeryong, North Hamgyong Province, he was widely known among neighbours for his unusual poetic talents from his childhood.

But he was compelled to go to an alien land with the sorrow of the nation at the country occupied by the Japanese imperialists, unable to bring his talents into full bloom.

The liberation of the country made it possible for him to begin true creative activities. After returning home, he engaged in full- scale poem production, seeing the people who turned out in the building of a new country and experiencing the vibrant reality.

Particularly, he was deeply moved when he got a knowledge of the legendary heroic history of President Kim Il-song about which he was told so much in the alien land.

His feelings of deep reverence for and loyalty to the president produced the first full-length epic "Mt. Paektu" which sings of the leader.

The lyric poems "Swing" and "Sitting On a White Rock," the lyric and epic poem "Song of Land" and other poems which he created in ensuing years sing of historic changes in the country and the happiness of the people in the latter period of the '40s.

Cho Ki-chon also wrote "Yosu in Resistance," a serial poem depicting the anti-U.S. national salvation resistance of the South Korean people. He wrote many works such as "Korea Struggles," "At a Burning Street" and "My Height," following the army during the great fatherland liberation war. They were conducive to inspiring the entire people to the victory in the war.

The poet, who was full of militant stamina and passion, was killed by the enemy's indiscriminate bombing in 1951.

The great leader Comrade Kim Chong-il, recollecting him often, highly appreciated his poem "Mt. Paektu".

It is the result of deep love of Comrade Kim Chong-il for the poet that the full-length epic written nearly half a century ago is still widely read and recited among the people with everlasting viability.

South Korea

ROK-Style Reactors 'Close to Grant-Type Aid'

SK1703090495 Seoul YONHAP in English 0856 GMT 17 Mar 95

[FBIS Transcribed Text] Seoul, March 17 (YONHAP)—Na Ung-pae, deputy prime minister and minister of the National Unification Board (NUB), said on Friday that the light-water nuclear reactors to be built in North Korea are "close to grant-type aid in essence though they take the form of credit assistance in formality."

Speaking before the National Unification and Foreign Affairs Committee of the National Assembly, Na said, "Since the expenses for light-water reactor construction are to be redeemed (by Pyongyang) free of interest after a considerable grace period, it is rather close to a grant."

He also said that he is not optimistic about a reactor supply contract being concluded between the Korean Peninsula Energy Development Organization (KEDO) and North Korea by April 21 as scheduled because North Korea is rejecting to accept South Korean standard light-water reactors.

"Seoul and Washington will not consider April 21 as the deadline for concluding the contract, but will continue persuading North Korea with the help of the international society to successfully implement the Pyongyang-Washington agreement reached in Geneva."

He said, however, that North Korea is not in a position to breach its agreement with the United States at its discretion because its implementation of the accord is closely related to improvement of its relations with Washington and the material benefit it might bring to the Communist country.

Commenting on North Korea's demand to replace the Military Armistice Agreement with a peace accord, he said that the United States, in firm support of South Korea's position that such peace accord should be concluded between South and North Korea, will never agree to conclude a peace accord directly with North Korea.

"The government is interested in how to set up a regime to guarantee peace on the Korean peninsula while keeping the Armistice Agreement valid in accordance with the South-North Basic Agreement," he said.

Accord, U.S.-North Ties Said Not Synonymous

SK1703113795 Seoul YONHAP in English 1130 GMT 17 Mar 95

[FBIS Transcribed Text] Seoul, March 17 (YONHAP)—Foreign Minister Kong No-myong said on Friday [17 March] the Geneva agreement cannot lead automatically to relations normalizations between the United States and North Korea.

"There are various issues North Korea has to resolve before the United States agrees to normalize relations with the Communist country," Kong said in a testimony at the Assembly Unification and Foreign Affairs Committee.

The things Pyongyang should do include their signing of the Missiles Exports Prevention Agreement and withdrawal of their troops from areas close to the Demilitarized Zone, he said.

When a legislator asked him if this is the common position of South Korea and the United States, Minister Kong said tersely, "Yes."

On the issue of relocating U.S. military facilities in the Yongsan Reservation to elsewhere, Minister Kong said the government's policy is to continue to promote their relocation in consultation with the United States.

He implied, however, that the time of the relocation may be put off until after 1996.

"We regard it advisable to take time in promoting it in consideration of the role of the U.S. Forces in Korea and overall security conditions," he said.

Minister Kong also said talks are going on with the United States on the possible joint use of a Pusan Harbor pier now being used exclusively by U.S. military authorities.

DRPK's Options in Talks With U.S. Assessed

SK1703043995 Seoul MUNHWA ILBO in Korean 16 Mar 95 p 4

[Article by Han Chong-ho: "What Is the Hidden Card?"]

[FBIS Translated Text] As North Korea continues to express that it will take "necessary measures" if the discussions of the new peace arrangement with the United States do not proceed, government authorities are busily trying to determine the contents of the new card that North Korea will put forward, and preparing plans to deal with it. In the 24 February Foreign Ministry spokesman's press statement, North Korea stated that "it would take necessary measures to resolve the issue of establishing the new peace arrangement if the United States—the real party to the settlement of the new peace arrangement issue—continues to make efforts to avoid its responsibility." North Korea has used its various government- operated media to continuously maintain such demands. Even recently, North Korean ambassador to Cuba, Kim Sung-yong reconfirmed North Korea's such demands during his news conference. The ROK Government authorities, who have maintained a passive attitude toward the issue of the peace system [pyonghwa cheje], assess that North Korea, rather than "abolishing the Armistice Agreement," hopes to "hasten the date of establishing diplomatic relations with the United States" by signing a North Korean-U.S. peace agreement. The National Unification Board, the Ministry of Foreign Affairs, the Ministry of National Defense, and the Agency for National Security Planning are working to grasp the contents of North Korea's hidden card by coming up with simulated [kasang] scenarios about what the "necessary measures" or "corresponding measures" of North Korea will be. With no specific evidence about its contents, however, a relevant official likened this to "looking for a password without knowing the code."

Option I [subhead]

It is highly like that North Korea will declare that the "Armistice Agreement is void." People assess that North Korea will try to make use of the fact that the Armistice Agreement is the focal point of the United States' Northeast Asia military strategy in that it has provided a basis for the presence of U.S. troops in the ROK, as well as in Japan with the agreement signed in 1953 between the United States and Japan on using military bases. Because the Armistice Agreement specifies that "the facilities and services of the military bases within Japan will be provided to the United Nations Command on the Korean peninsula to support its activity from there," the abolition of the Armistice Agreement will affect [tongyo] the U.S.-Japanese security system. Also, because its abolition means a return to a state of war, a serious situation may be brought about on the Korean peninsula when it is abolished.

Option II [Subhead]

North Korea may close Panmunjom, a symbol of the armistice system, or conduct armed demonstrations in areas near the five islands of the Western sea in order to publicize to the world the need for a new system in place of the already powerless armistice organization, while maintaining the Armistice Agreement as it is. It has been assessed that this could be a prominent way for North Korea to carry out its peculiar deadlock strategy [pyorangkku chonsul], along with its measures to lift the nuclear freeze and refuse to ROK-model light-water reactors.

Option III [Subhead]

North Korea will only accept ROK-model light-water reactors if a peace agreement is signed with the United States. In spite of North Korea's record of repeatedly refusing to accept the "ROK-model light-water reactors" already promised by the ROK and the United States, North Korea intends to achieve its "goal of special supply" [tukpyol konggup sahang], including the power transmission line and simulation, and the systemized dialogue channel with the United States concerning the peace system, as it has continuously demanded.

There may be several cards North Korea can choose from, but there will be no other card like the nuclear card, which yields profit without cost. Therefore, the government authorities believe that even North Korea will face difficulties in determining the "necessary measures" it should take.

Significance of Gallucci's Letter to North Viewed

SK1703023895 Seoul KYONGHYANG SINMUN in Korean 16 Mar 95 p 5

[By reporter Yi Sung-chol]

[FBIS Translated Text] The United States, which has refrained from taking direct measures against North Korea's obstructive offensive measures regarding the DPRK-U.S. nuclear agreement, has started to take initiatives on this matter.

Of course the United States has been conveying its position through the New York working-level contact channel as occasion arises, but for the United States to send a letter to North Korea under the name of U.S. Nuclear Ambassador Robert Gallucci on 9 March signifies that it is strongly warning North Korea that it will no longer be on the defensive.

In a satellite talk show with journalists in Asia on 14 March Ambassador Gallucci said regarding his letter: "I sent a letter to North Korea's Vice Foreign Minister Kang Sok-chu emphasizing the need to accept the ROK-type light-water reactor and the ROK's leading role in this matter."

What were the contents of the message the United States sent to North Korea through Ambassador Gallucci in coping with North Korea's offensive?

Ambassador Gallucci's letter which was conveyed by Gary Samore, U.S. State Department official in charge of nuclear nonproliferation affairs to his channel of contact, Councillor Han Song-yol of the North Korean UN mission, was learned to have contained three main points.

Ambassador Gallucci's letter first addressed North Korea's claim of insidious political purposes in adopting the ROK-type light-water reactor, by pointing out: "We inaugurated the international consortium, the Korean Energy Development Organization to alleviate North Korea's concern." He refuted North Korea's continuous rejection of the ROK-type light-water reactor as being unreasonable.

In addition, Ambassador Gallucci clearly conveyed to North Korea that if North Korea were to break the nuclear freeze promise even slightly by operating the five megawatt atomic reactor again as it has threatened to do, the United States will regard it as having ruptured the agreement made between the two sides.

Regarding North Korea's reference to 21 April as an absolute deadline for implementing the agreement, and that if the nuclear supply agreement is not concluded by that time, the nuclear agreement will be ruptured, Ambassador Gallucii emphasized that, "It is only a target date, not an absolute date," in the last part of his letter.

In this connection, in a 13 March speech at the U.S. Business Institute, Ambassador Gallucci introduced a behind-the-scenes story on agreeing to the deadline by saying: "In the process of DPRK-U.S. negotiations, North Korea insisted that 21 April be the deadline for concluding the contract, but in the end we agreed that efforts would be made to conclude the contract by that time."

It was learned that concrete threats of sanctions such as handing over this issue to the UN Security Council were not mentioned in the letter.

A government official revealed: "The reason that the United States is taking direct measures against North Korea is that there is concern that if North Korea's offensive is left as it is, events may go beyond control."

This official also said: "This letter exercises restraint rather than full-scale offensive measures. Concrete measures are being discussed between the ROK and the United States on how to deal with North Korea when it responds."

Military Preparedness Urged To Cope With North

SK1703050195 Seoul YONHAP in English 0449 GMT 17 Mar 95

[FBIS Transcribed Text] Seoul, March 17 (YONHAP)—Defense Minister Yi Yang-ho said Friday that the government will continuously maintain military preparedness to cope with a possible "negative" development of the North Korean nuclear problem.

Briefing the National Assembly's National Defense Committee, Yi said, "The Defense Ministry plans to maintain a strong South Korean-U.S. combined defense system in an effort to help, by strength, a faithful implementation of the North Korean-U.S. agreement."

The government will hold onto their firm position against any direct military contact between North Korea and the United States, he said.

"We will tolerate their military contact within the framework of the Military Armistice Commission, but we cannot allow them to discuss South Korean-U.S. joint military exercises or withdrawal of U.S. forces here."

Pyongyang is insisting that the military Armistice Agreement should be replaced with a peace accord between Pyongyang and Washington, and demanding a direct military dialogue with the United States.

Yi said that South Korea will strengthen its military surveillance system to monitor North Korea's possible diversion to military use of the light-water reactors and heavy oil, which will be provided to the communist country in return for freezing of its nuclear development program.

He also said the ministry will make advance preparations for possible inter-Korean military talks.

North 'Largest-Scale War Exercise Since 1991'

SK1703030595 Seoul YONHAP in English 0259 GMT 17 Mar 95

[FBIS Transcribed Text] Seoul, March 17 (YONHAP)—The North Korean Air Force is conducting its largest-scale war exercise since 1991, the South Korean Defense Ministry said Friday.

In a report submitted to the National Assembly Friday, the ministry said the North Korean Air Force's exercise includes tactical fighters' air strike, low-flying light aircraft's night flight and air release of troops and bombs and nighttime combat drills.

On the other hand, the North Korean Army is conducting brigade-level winter exercises and the Navy's exercise is routine, the report said. It said special warfare elements have finished winter trainings.

Since last year, the North Korean Army has conducted tactical offensive exercises in terrains similar to those in

South Korea and is known to be working to complete its mobilization and logistics systems within this year.

But there are no unusual developments portending military provocation, the ministry said.

Japan Urged Not To Hasten Normalization Talks

SK1703034195 Seoul SEOUL SINMUN in Korean 17 Mar 95 p 3

[Editorial: "Japan Should Not Hasten Normalization Negotiations With North Korea"]

[FBIS Translated Text] Japan's moves to hasten negotiations for normalizing relations with North Korea has drawn keen attention. Japanese Foreign Ministry officials and senior officials within Japan's Liberal Democratic Party had a secret contact with North Korean counterparts in February, and now Japan's ruling party is having discussions on dispatching a delegation to North Korea to discuss the normalization of relations, even though it has been delayed to internal strife. We cannot but deplore the current development of the situation between Japan and North Korea.

In the wake of the inauguration of the Korean Peninsula Energy Development Organization, Japan's attempt to reopen normalization talks with North Korea has gained momentum and North Korea, in return, is showing a positive response. Therefore, it is highly predicted that normalization will be realized sooner than we expected.

We do not oppose such normalization of diplomatic relations. On the contrary, it may be desirable. However, certain conditions must be met before normalization of relations: North Korea completely renounces its nuclear development, which will help the resumption of inter-Korean dialogue and will contribute to detente on the Korean peninsula.

It was North Korea's nuclear development that halted normalization talks two years ago. Japan reportedly concluded that North Korea's nuclear crisis was defused to some extent in the wake of the North Korea-U.S. agreement. However, reality shows that it is a hasty decision. North Korea's strong rejection of inter-Korean dialogue and ROK-model light-water reactors dampen the prospect for the settlement of the North's nuclear problem. North Korea has even threatened to break the nuclear agreement and to resume the operation of nuclear reactors in Yongbyon if a light-water supply pact is not signed by 21 April.

Under such a circumstance, it is certain that Japan's resumption of normalization talks and the possibility of early normalization, will be obstacles to the settlement of the North Korean nuclear problem. What is more, it will only bring about the result of further encouraging North Korea to reject inter-Korean dialogue and ROK-type reactors. Even President Kim Yong-sam called on Japan to take a prudent attitude in pursuing normalization talks at the summit meeting in Copenhagen.

The North Korean nuclear issue is not just a problem between the United States and the ROK. It is a grave threat to Japan also. Japan should never accede to normalization talks until North Korea proves its intention to suspend nuclear development and its will for peace by accepting ROK-type reactors and resuming inter-Korean dialogue.

Businessmen: Improvement in Kim Chong-il's Health

SK1703064295 Seoul CHUNGANG ILBO in Korean 17 Mar 95 p 2

[Report by Choe Won-ki]

[FBIS Translated Text] North Korea's hard drinker Kim Chong-il has recently stopped drinking and has lost 4 to 5 kg as the result of his keen interest in health.

On 16 March, a Western businessman returning from Pyongyang said that Hennesey Cognac, which used to be put on the banquet table when Kim Chong-il met with Western businessmen, was missing. Asked about the reason, Kim Chong-il answered "because the doctor told me to stop drinking..."

What needs to be noticed particularly is his face. At Kim Il-song's funeral held on 20 July last year, Kim Chong-il had swollen eyes and a crooked mouth. He could barely stand straight. However, Kim Chong-il looked healthy and was full of vigor when he appeared at the military agitators' meeting on 28 January.

An official of the National Unification Board predicted: "Kim Chong-il's recovery of his health is a strong sign that his ascension to the throne is near."

'Another Half Brother' of Kim Chong-il Reported

SK1703120695 Seoul YONHAP in English 1144 GMT 17 Mar 95

[FBIS Transcribed Text] Seoul, March 17 (YONHAP)—North Korea's de facto ruler Kim Chong-il has another half brother born between his deceased father, Kim Il-song, and one of his secretaries, a North Korea watcher said here Friday [17 March].

Dr. Kim Yong-hun active in the United States said he is Kim Song-il who he said is now serving as a general-grade officer in the military.

"Kim Song-il was born between the senior Kim and one of his secretaries upon the death of his first wife, Kim Chong-suk," Dr. Kim said at a seminar.

Kim Il-song's first wife gave birth to two children—Kim Chong-il and his sister, Kim Kyong-hui, who now works as director of the Workers' Party Light Industries Department.

Four sons are known to have been born between the late Kim and his second wife, Kim Song-ae. They include Kim Pyong-il, presently North Korean Ambassador to Finland.

Dr. Kim failed to say what is the exact duty of Kim Song-il or to give the name of his mother.

Moscow To Maintain Russia-North Military Treaty

SK1703081495 Seoul MUNHWA ILBO in Korean 17 Mar 95 p 2

[FBIS Translated Text] A government source stated on 17 March that Russia will cancel its decision to abolish the automatic military intervention [chadong kunsa kaeip] clause (Article 1) in the "Treaty of the DPRK-Russian Friendly Cooperation and Mutual Assistance," which specifies that it will automatically provide aid to North Korea if war breaks out on the Korean peninsula.

This violates the promise President Boris Yeltsin made to President Kim Yong-sam during the ROK-Russian summit held in Moscow in June 1994. Therefore, it seems this will develop into a diplomatic dispute between the two countries.

According to the source, the Russian Government has informed the ROK of its position, saying: "Negotiations between North Korea and Russia on revising the treaty have not progressed due to North Korea's objection. Even if the clause is maintained, and even if North Korea does not provoke the ROK, Russia will prudently review the application of the treaty in consideration of its constitution, the UN Charter, and ROK-Russian friendly relations."

A relevant official stated on 17 March that the government has called upon Russia to abolish the automatic intervention clause, pointing out that such changes in the Russian Government's attitude breaks the promise between the ROK and Russian leaders. However, if Russia maintains its adherence to the clause, there is no way to prevent Russia from doing so.

The "Treaty of DPRK-Russian Friendly Cooperation and Mutual Assistance," signed in Moscow in July 1961 and effectuated in September that same year, can be automatically extended for five years unless one party raises an objection one year prior to its expiration. Since the current treaty will expire in 1996, North Korea and Russia should determine if they will revise or extend the treaty before September 1995. In particular, Article 1, which specifies that Russia will immediately provide military aid to North Korea in time of emergency, symbolizes the military relations between North Korea and Russia. During the ROK-Russia summit in Moscow in June 1994, President Yeltsin "verbally promised" that he would abolish this article.

In fact, the government believes this article has become void because then-Vice Foreign Minister Kunadze informed North Korea of the Russian policy to abolish the automatic intervention article when he visited Pyongyang in January 1993. However, the government is preparing measures to deal with the situation when the North Korea-Russia military alliance is restored as a result of Russia's internal affairs.

Ministry Encouraging N-S Economic Cooperation

SK1703012995 Seoul THE KOREA HERALD in English 17 Mar 95 pp 2, 11

[By staff reporter Sin Yong-pae: "South Conciliatory to N.K. in Economic Field"]

[FBIS Transcribed Text] When Washington and Pyongyang reached a landmark nuclear agreement in Geneva last October, many expected inter-Korean relations would improve. But there have been few signs of improvement between the two Koreas.

Instead, inter-Korean relations appear to have worsened over North Korea's refusal to accept South Korean nuclear reactors as part of the Washington-Pyongyang accord.

North Korea continues to slander South Korea and shun any government-level talks and South Korea's response have never been conciliatory.

Now, Seoul has been trying a different approach which it hopes will appeal to Pyongyang since the appointment of a moderate economic technocrat to replace the hard-line unification minister last month.

In his inaugural address, Na Ung-pae, new deputy premier and unification minister, who has held several economic cabinet posts in the past, said that he will push for an inter-Korean economic cooperation despite the dispute over North Korea's refusal to accept South Korean reactors.

He showed a conciliatory gesture when he said he found no evidence that South Korean companies had bribed North Korean officials in exchange for permission to visit North Korea to sound out the possibility of making direct investment there.

"None of the companies that visited North Korea have been confirmed to have bribed Pyongyang officials," Na said recently.

These remarks were in sharp contrast with his predecessor's testimony before the National Assembly last month.

Former Unification Minister Kim Tok said the government was investigating a bribe scandal involving some domestic companies and that it would sanction those found to have bribed North Korean officials.

But the National Unification Board has conducted no serious investigation since Kim's departure.

In another development, the government has recently authorized eight companies to send their representatives to North Korea for inter-Korean economic cooperation.

In fact, the rush by South Korean companies to visit North Korea has been held back since the government launched a probe on the bribe scandal.

The South Korean government has also announced that it would not launch a joint Team Spirit military exercise with the United States this year.

The announcement followed an earlier threat by former Unification Minister Kim Tok to revive the Team Spirit exercise if Pyongyang refused to accept South Korean reactors.

Another conciliatory offer was made by President Kim Yong-sam who said South Korea was ready to lend rice and other daily necessities to North Korea when he visited Germany early this month.

"We will not hesitate in cooperation in any area desired by the North," President Kim said.

Elaborating on President Kim's offer, new Unification Minister Na said the South Korean government should not link it to progress in the implementation of the Geneva nuclear accord between Washington and Pyongyang.

"The government's aid offer and its policy not to link the inter- Korean economic cooperation with the nuclear issue are designed to engineer a breakthrough for the deadlocked inter-Korean relations," says Rep. Pak Chong-su.

Rep. Pak, a member of the National Assembly's Foreign Affairs and Unification Committee, said that Seoul has taken a conciliatory gesture which it believes will help carry out the Geneva agreement faithfully.

"We should avoid confrontation with the North," said the ruling party lawmaker. "We should not spare any effort to support the North if it observes the nuclear agreement."

Under the accord, the North is to give up its nuclear development program and to hold dialogue with the South in exchange for light- water reactors, whose provision is to be arranged by Washington. But the North is rejecting the South Korean reactor model selected by the United States.

Both the United States and South Korea, however, are adamant on the issue of North Korea's acceptance of South Korean reactors.

South Korea is to foot most of the $4 billion bill for the North Korean nuclear power project.

"Our basic unification policy is to promote inter-Korean reconciliation and cooperation. We are using carrots and sticks to cope with the North more effectively," said an official from the National Unification Board.

An opposition lawmaker suggests that Seoul take a softer stance if it is to attain its policy goals regarding the North.

Rep. Namkung Chin said the government should give the green light to all companies wishing to visit North Korea concerning business.

The Democratic Party lawmaker, also a member of the National Assembly's Foreign Affairs and Unification Committee, urged the government not to make hasty decisions in improving inter-Korean relations.

N-S 'Private' Economic Cooperation Promoted

SK1703021895 Seoul YONHAP in English 0158 GMT 17 Mar 95

[FBIS Transcribed Text] Seoul, March 17 (YONHAP)—The South Korean Government would steadily promote private-level economic cooperation with North Korea despite the North's "double-faced" attitude, Deputy Prime Minister and National Unification Minister Na Ung-pae said Friday.

Testifying at a hearing of the National Assembly Foreign Affairs and National Unification Committee, the chief unification policy- maker declared the government would continue allowing business people to visit North Korea under the law concerning inter-Korean exchange and cooperation programs.

The government will promote cooperation not only in business but also in socio-cultural areas if such collaboration is apolitical and practical, thus contributing to improving inter-Korean relations.

Touching on the issue of the light-water nuclear reactors to be built in the North under the North Korea-U.S. accord in Geneva last October, Na confirmed the position that South Korea will play the central role in the project, including the supply of South Korea's standard model reactors.

The government is studying a variety of measures to be taken in case the Geneva agreement is not implemented because of the North's rejection of the South Korean reactors.

The coming six months are very important to future inter-Korean relations because whether or not a reactor supply contract will be concluded with North Korea in this period will have significant influence not only on North Korea-U.S. relations but also on inter-Korean relations, he remarked.

Official Suggests North, South Cohost Games

SK1703020595 Seoul YONHAP in English 0140 GMT 17 Mar 95

[FBIS Transcribed Text] Buenos Aires, March 17 (YONHAP)—Joao Havelange, president of FIFA [Federation of International Football Associations], soccer's world body, said Friday that if South and North Korea agree to co-host the World Cup soccer finals in 2002 Korea will get a better chance of winning the right to host the finals.

In an exclusive written interview with YONHAP, Havelange said that the co-hosting will be the biggest adventure for FIFA, but that the finals will become excellent games.

Havelange, staying in Rio De Janeiro, Brazil, denied a recent report of a Japanese sports weekly which carried an interview with him. He was reported to have said that Japan was in a more favorable position than South Korea to host the 2002 finals.

"Such report was a very intentional one and I think the weekly has made a big mistake," he said.

He said he has not expressed his private opinion about the bids from South Korea and Japan to host the games, adding, "I will remain sticking to a neutral position to the last moment as FIFA president or as an objective assessor.

"I'd like to emphasize that South Korea and Japan are on an equal footing as contenders. We have never considered the possibility of South Korea and Japan co-hosting. It is impossible for several reasons," he said.

Article Assesses U.S. Trade Pressure on Seoul

SK1703084295 Seoul KYONGHYANG SINMUN in Korean 17 Mar 95 p 5

[Article by reporter Hong In-pyo]

[FBIS Translated Text] It has been learned that the United States has recently demanded that our country open its telecommunication and automobile markets, thereby attracting our attention. Sources based in Washington construe such an active move by the United States as meaning that the United States has earnestly drawn its sword to solve protracted trade issues with the ROK, availing itself of the momentum the it has gathered by successfully concluding its negotiations with the PRC on intellectual property rights, which was one of the biggest pending trade issues between the United States and the PRC.

Japanese experts also think that the United States has launched a powerful offensive of applying trade-related pressure on the ROK, a relatively easy opponent for the United States, in an advance effort to forestall its Japanese counterparts in future trade negotiations with Japan on the biggest pending trade issues—negotiations on automobiles and automobile parts.

It has already predicted that the United States would launch an offensive to apply trade pressure on the ROK. On 8 March, the White House submitted a presidential trade policy report to Congress, in which the United States took issue with the ROK's practice of importing automobiles and meats and its approval process for telecommunications equipment, which it regards as pending issues between the ROK and the United States.

U.S. trade officials are hinting that the United States has worked out a strategy of dealing with individual trade issues one at a time. The United States will reportedly apply pressure concerning a wide range of items, such as the markets for automobiles, medical equipment, and meats; the liberalization of financial transactions; the ROK's practice of commercial transactions; and services market.

In the case of the liberalization of financial transactions, though it highly estimates ROK's efforts to open the financial market, the United States is expressing its concern as to whether the ROK can properly achieve its competitive power, while saying that the scope and pace of ROK's financial market opening are far narrower and slower than those of other Asian rivals.

Unanimously citing such words as "frustration" and "pessimism," U.S. Administration officials who recently have been meeting with ROK Government officials or businessmen are voicing their discontent by saying that, although some progress has been made in the ROK on matters of customs tariffs and import quotas over the past 10 years, more elaborate stumbling blocks called non-tariff barriers have been laid. The United States regards the ROK's complicated system of granting approvals for trade-related items, the establishment of relevent trade-related standards and regulations, and its import procedures as non-tariff barriers.

Basically, the U.S. Government has misgivings as to whether the ROK Government really has the will to open markets.

The favorite logic the United States adopts regarding the ROK's market opening is very simple from the perspective of the United States. The United States argues that the ROK should give U.S. enterprises in the ROK the same opportunities ROK enterprises are given in the U.S. market.

Although the ROK agrees to the principles of market opening, the ROK is adopting the strategy of narrowing the scope of and slowing the pace of its market opening as much as possible with a view to protecting domestic industries.

In the wake of the conflict between the United States and the PRC, it appears likely that U.S. demands for the opening of the ROK telecommunications and automobiles markets will intensify more than ever before, as the opening of high-growth Asian markets such as the ROK, China, and Japan is a major goal of the United States.

Crimes of 'Unbridled' U.S. Soldiers Analyzed

SK1703132395 Seoul SISA JOURNAL in Korean 9 Mar 95 pp 48-53

[Article by reporter Chong Hui-sang: "'Unbridled' Crimes of U.S. Soldiers in ROK"]

[FBIS Translated Text] A certain Yun (25, female) living in Kayangdong, Kangso-ku, Seoul, thinks of committing suicide many times a day. Despite her being a dignified citizen of the ROK, for the past nine long months her neighbors, the law, and even the state ignored her earnest demand for protection. This forced her to have nightmares of suicide. She still suffers from nightmares, and after going through mental agony decided to confess her experience, things an unwed woman should hardly talk about.

The one who drove her to such pain is Daniel Thomas Tailor (24), who works as a civilian contractor for the Eighth U.S. Army in Yongsan. Miss Yun, a saleswoman in a department store, met him for the first time when she went to Itaewon along with her friends in April of last year. Some of her friends had American soldier friends, and as a result Yun met this American in a natural manner, though he was the first American she met. When they parted that day, Daniel took down her pager number.

After that, Miss Yun went to Itaewon several times with her friends, who associated with American soldiers, and danced with them. That is when the problem began. Daniel was displeased with Miss Yun mingling with other American soldiers and demanded Miss Yun meet only with himself, claiming he wanted her to be his girlfriend. Miss Yun refused, so Daniel attempted to stab his own shoulder with a military knife. He then threatened that if Miss Yun did not accept his demand, he would also stab her.

Miss Yun stated: "He threatened me, claiming I was his girl despite our knowing each other only a short time. I was frightened, and I avoided him. After this, however, I met him again at the house of one of my friend's boyfriends, which I had visited together with my friends. Daniel abruptly asked to have sexual intercourse with me. I persistently refused, and was beaten many times with a knife and belt. I escaped."

Something happened again in June. Miss Yun was dancing in an Itaewon club with her friends. Finding her, Daniel forcibly took her to a nearby side street and committed various kinds of violence against her. She fell down, so he took her to an inn on a side street. Daniel could now "freely approach" Miss Yun who refused his repeated demands for sexual intercourse. Despite her persistent resistance, Daniel mercilessly beat her all over her body. Yun said she was then raped by him, with her arms and legs tied. She stated: "He even brought a camera and took pictures of my naked body, as well as scenes in which he committed violence against me. I was beaten when I resisted, and finally had my eardrum split."

She was released at around 2200 hours that evening, and dashed to a Yongam police box under the supervision of the Yongsan Police Station where she reported the incident. Daniel followed her to the police box, claiming she was his girlfriend and that she was out of her mind. The police told her to bring evidence and report to the police station next morning, then sent her back.

Being in high spirits, Daniel said the ROK police were on his side and his actions did not constitute a crime in the ROK, then continued his violence against Miss Yun. He threatened that if she did not accept his demand, he would show the pictures of their sexual intercourse and her naked body to her parents and friends.

Miss Yun desperately tried to prevent him from exposing these pictures to her parents at any cost. Meanwhile, Daniel satisfied his desire by taking her out whenever he found the opportunity, threatening he would expose the pictures. One day, Miss Yun had an opportunity to get back the film. She snatched it from Daniel when he was collecting the nude pictures and negatives of her from a photo studio in Myongdong, and ran away. However, she was caught by Daniel and beaten severely.

Yun said: "I cried for help, but the passersby ignored me, merely casting me a curious glance. I desperately rushed for a taxi and took one, sitting in the front. I asked the driver to go to the police. At that moment, Daniel jumped into the back seat of the taxi. He told the driver I was his girlfriend, and that we had a small quarrel, then told the driver to take them to his home in Haebangchon. I appealed to the driver, explaining the entire story with tears in my eyes. The driver took us to the Yongsan Police Station, stating that something should be done to this American. This taxi driver was the only person throughout the entire ROK who helped me during the past terrible nine months."

As soon as the taxi stopped, Daniel ran away. Fortunately Miss Yun shouted, and the policemen who were patrolling the nearby area arrested him. The two were taken to the Foreign Affairs Branch of the police station. However, things went wrong even at the police station, which Miss Yun relied on as her last defense. Miss Yun solicited their help, explaining the entire story. At that moment, Daniel claimed Miss Yun was a prostitute, and that she attempted to run away after stealing his watch. The police believed Daniel. Yun insisted she was not a prostitute, but the police replied: "Cultured Americans do not lie." Yun later said: "Seeing the wounds on my body, the police said Daniel could be detained on the charge of violence if I filed a lawsuit. However, they would also send me to a women's reformatory. The police then told me to go home after writing a statement of apology. I was stunned, but I wrote the statement as directed by the police out of fear they would do something against me, then came home."

Miss Yun was driven to despair, thinking the law and the police were unable to rescue her from this hotbed of crime. She decided to commit suicide. Yun continued: "I considered committing suicide several times a day, but changed my mind. I thought that even in vexation, I cannot die as I am now, and this hardened my heart. There is no one except myself who can protect me. Therefore, I decided to 'go into the tiger den to catch a tiger cub.' [Korean proverb meaning "Nothing ventured, nothing gained."]"

One by one, Yun got back from Daniel the negatives and photos of her nude body and their acts of sexual intercourse, always on the condition she would accept his demands whenever he asked her out. In addition, whenever she was violated, she silently went to the hospital and obtained a diagnoses from doctors. When she was having sexual intercourse with Daniel, she used to stealthily put into her handbag the knife left on the pillow by Daniel to threaten her not to resist, and recorded every remark made by Daniel. As a result, Miss Yun obtained evidence proving Daniel's crime, including recordings of Daniel's remarks demanding two million won not to expose 40 nude photos and negatives taken during sexual intercourse, as well as material proving his violence and threats.

On 9 January, Miss Yun went to the Foreign Affairs Branch of the Yongsan Police Station and filed a lawsuit, together with the evidence. However, her "courage" was affected by unrest and a sense of distrust. She feels a sense of burden caused by her having to deal with everything by concealing it to her parents since they do not know about this; in addition, her unrest was increased out of fear that Daniel might expose the pictures once she filed the lawsuit.

Although she filed the lawsuit, she was also concerned with the police's indifference, which she experienced over the past several months. Yun stated: "During interrogations, the police asked when I lost my virginity, which hotels and inns I stayed at, and the like, thus laughing at me. This being the situation, I felt remorse for filing the lawsuit. Only when I was interrogated by a policewoman could I freely make her understand my situation and feelings. However, seeing this attitude by the police, I could hardly feel easy about whether I would be properly protected once I filed the lawsuit."

The case was finally forwarded to the public prosecution on 20 February on the charge of rape and violence. What Miss Yun is worried about most at present is the possibility of Daniel's retaliating. Even though the lawsuit was filed, Daniel still walks the streets of Seoul. Furthermore, Daniel calls Miss Yun many times a day. Miss Yun suffers from nightmares of being slaughtered by Daniel and thrown into the Han River. She shudders at the thought that she will have no other choice but to commit suicide if Daniel informs her parents of everything.

Yun pointed out: "Some people doubtfully ask why I filed the lawsuit now, after nine months, idling my time away. Even the police said the case would possibly be adultery with consent by pointing out that I had associated with Daniel for a long time. I will not attempt to make an excuse for this. However, I would like to ask them a question: Where were you all during the past horrible nine months when I desperately cried for help?"

After two weeks' persuasion, Miss Yun accepted an interview with this reporter. She asked in a tearful voice: "Daniel will certainly retaliate against me. Is there anything I can do to protect myself?"

It is not certain whether anything is feasible because Daniel is an Army civilian subject to the ROK-U.S. Status of Forces Agreement [SOFA]. If Daniel is arrested and detained by ROK investigation authorities, only then can Miss Yun avoid retaliation. Up to now, no American soldier (or civilian) has been held in custody before being sentenced to his prison term.

All the ROK police can do is demand the U.S. Army authorities transfer Daniel out of Korea. This is what enables Daniel to walk the streets of Seoul even after a lawsuit has been filed against him, and to continue searching out Miss Yun. Although Daniel is a U.S. Army civilian, according to U.S. law he is not subject to trial by a U.S. Army court. This being the case, even U.S. military authorities cannot detain him. The only alternative is to send him home.

If a Korean committed such horrible acts, he would suffer heavy punishment. However, American soldiers and Army civilians are free from such punishment because of the unfair ROK-U.S. SOFA.

Although the crimes committed by American soldiers number more than 1,000 annually, most end up merely as complaints and appeals by victims. In many cases, the pain of the victims of crimes committed by American soldiers, who are not subject to the ROK's domestic laws, are beyond imagination. Mr. Kang Pyong-kwan (42), who lies in his sickbed and moans with pain in Taesong Hospital in Songtan, Kyonggi Province, is one such victim.

Mr. Kang had a quarrel with American soldiers in front of the U.S. Air Force base (K-55) in Osan at around 0200 hours on 21 January. Finding among them a white American soldier who lives close to his house, Mr. Kang merely tried to engage him in friendly conversation. However, the American soldiers misunderstood him as attempting to start a fight. As a result, a black American soldier named (Babiall Day) (23) seized Mr. Kang by the throat and threw him onto a driveway. Unfortunately, Mr. Kang hit a passing car with his head, suffering brain damage. He was taken to a nearby hospital in a comatose state. His life was narrowly saved after a major operation; however, Mr. Kang has been lying on a sickbed, suffering from a mental disorder.

Mr. Kang was bereaved of his wife at an early date and lived in a shabby house with his 74-year-old mother and a son who was in the fourth class of primary school. His accident was a tremendous shock and pain to his family. Mrs. Im Pun-im, Mr. Kang's mother who has been nursing her son for over a month, said in tears that she never felt as much pain as today, even when she gave birth to her son. Her anxiety was related not only to her son's suffering from a mental disorder after the incident with the American soldiers, but also to the lack of money to pay hospital bills amounting to approximately 10 million won. The offenders said it is true they threw Kang to the driveway, but his injury was the result of a traffic accident; thus, they insist they will not pay for hospital charges, not to mention compensation. Meanwhile, the taxi driver involved in the accident and the insurance company claimed Kang's brain damage was caused by the American's violence, and that the car merely ran over kang's leg; thus, they refuse compensation.

The hospital said it cannot continue medical treatment for Mr. Kang unless overdue hospital charges are paid, thus demanding immediate payment for his medical treatment. Urged by hospital authorities, Kang's mother, who has no such money, has many times visited the police station, the Songtan administration, and others seeking their help. They offer only a disappointing response.

Some Victims Have Aftereffects of a Mental Disorder

Pak Chin-kyu, chief of neuropsychiatry at Taesong Hospital who took charge of the surgical operation on Mr. Kang, stated: "In order to resuscitate the patient, we finished the surgical operation by leaving his right cranial bone open. Unless his sunken right cranial bone is filled, it is highly likely he will die of a cerebral hemorrhage. For three months, he will have to undergo major surgical operations and receive treatment. For two years after that, we will have to watch the patient, who now has a mental disorder."

Even after giving up hope of resuscitating her son, Mr. Kang's aged mother cried at her son's bedside, saying: "If he were to be discharged from the hospital and die in my arms, I would not mind. Is it not possible to see his unpaid hospital charges paid?"

Sergeant (Babiall Day), who pushed Mr. Kang onto the driveway, is now in the custody of U.S. military investigation authorities at Pyongtaek. One official at the Suwon District Prosecutors Office involved in dealing with the Status of Forces Agreement [SOFA] said: "We have booked the assailant on charges of assault, but we have not decided yet whether to indict him."

As seen here, large or small crimes are being perpetrated by U.S. soldiers one after another, while the general public remains ignorant of their occurrence. Because of such crimes, many people suffer from pain and aftereffects. However, most worry about being unable to find a place to plead their situation due to SOFA regulations.

According to recent statistical data released by the Ministry of Justice, out of a total of 850 crimes perpetrated by U.S. soldiers from October 1992 to August 1993, the ROK Government exercised its jurisdiction over only ten cases, a mere 1 percent of the total.

Even if a criminal case gives rise to social shock, and the pressure of public opinion enables the victim to receive compensation and see his case referred to a court, this is hardly a settlement of the case. Let us look at the "Ms. Kim Kuk-hye case" that took place on 29 May 1993. On that night, Ms. Kim—the owner of Leben Hof, a beer hall in Socho-tong, Seoul—was sexually assaulted and beaten by Sergeant John Roger (Salroy) (22), a soldier with the Eighth U.S. Army in Yongsan. As a result, her cranial bone was fractured and she slipped into a comatose state.

The Best Policy Is To Avoid Becoming a Victim of Such Crimes?

This case reminded us of the nightmarish incident last year in which Private First Class Marckle murdered Ms. Yun Kum-i in Tongduchon, sending a major shock wave through society. This case was referred to an ROK court because ROK women and civil movement organizations jointly staged daily protest demonstrations, demanding the arrest and investigation of the assailant. The assailant was kept in custody by U.S. military authorities until his trial concluded; after the ROK Supreme Court finally sentenced him to a prison term of two years and six months, he was transferred to an ROK prison. In this process, the U.S. military paid Ms. Kim Kuk-hye 20 million won for hospital charges and 19 million won in compensation.

However, although two years have passed since her case occurred, Ms. Kim still suffers from mental disorder syndrome. Leben Hof, where she earned money for a living, remains closed. Living with her two college-age children in Oryu-tong, Kuro-ku, Seoul, Ms. Kim complained to the SISA JOURNAL of suffering from serious aftereffects, saying: "If I had died at that time, I would not be suffering this pain today." Unaware of it, she wanders about aimlessly every day. It has become virtually impossible for her to work for a living; she suffers from mental and physical pain resulting from the mental disorder. From the beginning, no consideration has ever been given to all the aftereffects Kim is now suffering.

Such being the case, some in society have come to think that the crimes committed by U.S. soldiers are simply "uncontrollable and inauspicious." This attitude is clearly seen at the front line police agencies. One investigator at the Pyongtaek Police Agency, who often deals with U.S. soldier-related criminal cases, stated: "Even if we produce written evidence on such criminal cases and refer those cases to the prosecutors' office, we know those involved in such cases are rarely indicted, and relevant compensation, if any, is made belatedly or not made at all. Therefore, if we receive citizen reports on U.S. soldier-related assault cases that do not seem to be extremely serious, we advise them 'to think as if they have only stepped in excrement and give up resorting to legal action.'" This means that, as regards U.S. soldier-related crimes, ROK investigative organizations (prosecutors' offices and police agencies) have given up their will to exercise the country's sovereignty.

ROK Exercises Investigative Rights in Only 1 Percent of Total Criminal Cases

Of course, there has been a change in such tendencies. With the murder of Ms. Yun Kum-i in 1992, public opinion raised its voice in denunciation of the ROK Government's attitude of abandoning its investigative rights and jurisdiction. Therefore, prosecutors' offices can no longer safely adhere to their previous practice. This is partly because, when Ms. Yun Kum-i was murdered, citizens' organizations formed "a joint countermeasures committee" that was later turned into a permanent organization called "the Headquarters for the Eradication of U.S. Soldier-Related Crimes" (cochairmen Kim Chan-kuk, president of Sangji University, and Pastor Chon U-sop). In this regard, citizens endlessly demand prosecutors exercise national sovereignty over such cases.

As a result, an unprecedented "incident" in SOFA history recently occurred. Prosecutor Kim Yong-chol of the Seoul District Prosecutors' Office issued a summons against two U.S. military policemen who "detained and assaulted a woman and her two daughters" in an apartment house in Hannam Village in Seoul on 25 October 1994. However, U.S. military authorities countered by saying: "Under SOFA regulations, we cannot obey the ROK prosecutor's summons because the incident took place during the exercise of their rightful official duties."

Not wincing at this, Prosecutor Yun [name as published] has presented "a statement of his views refuting the U.S. military authorities' allegation about the exercise of official duties." This very exceptional will shown by a front line prosecutor in the exercise of our national sovereignty is now in a position to be frustrated by his superior organization, the Ministry of Justice. In this connection, one official at the Seoul District Prosecutors' Office said: "It is true SOFA contains unfair regulations; however, since this is a political and diplomatic matter between the ROK and the United States, the latest case has been handed from a front line prosecutor to the Ministry of Justice."

ROK investigative organizations are still taking a passive attitude toward crimes committed by U.S. soldiers. This is graphically shown by the National Police Agency's document issued to front line police agencies and police boxes across the country, the contents of which were revealed on 26 February. Through this document, the National Police Agency created a stir by ordering front line police agencies and police boxes across the country "never to make public any accidents or incidents involving U.S. soldiers."

At present, the ROK is exercising its own investigative rights over a mere 0.7 to 1 percent of the criminal cases involving U.S. soldiers annually, while Germany exercises its rights over 52 percent of the total cases, Japan over 32 percent, and the Philippines over 21 percent.

Speculation on U.S. Support for WTO Candidate

SK1703052395 Seoul YONHAP in English 0507 GMT 17 Mar 95

[FBIS Transcribed Text] Seoul, March 17 (YONHAP)—South Korea has yet to receive any word from the United States on who they will support for the first director general of the World Trade Organization (WTO) and has been negotiating with the United States and other countries concerned with "leaving open every possible option," according to Foreign Ministry spokesman Yu Kwang-sok Friday.

"The United States did not inform us of any decision to support Renato Ruggiero as the chief WTO administrator, although we could not rule out the possibility of the U.S. leaning toward Ruggiero in the two-way competition between Kim Chol-su and Ruggiero," said Yu.

He was referring to recent reports abroad that the U.S. Government may have decided to back Ruggiero in return for the guarantee from the European Union (EU) that the next WTO director general will be a non-European and the term of Ruggiero will be reduced to three years from the proposed four years.

The government believes that the United States could hold the key to the solution to the deadlock in the competition between Ruggiero and Kim Chol-su, especially after Mexico's Carlos Salinas withdrew his candidacy, in consideration of the United States' influence in the world body, said ministry officials.

"It would be difficult for the country to push ahead with its plan to get Kim Chol-su elected as the first WTO director general if the United States decides to throw their support to Ruggiero," they said.

"It, however, will be premature for the country to announce its withdrawal from the WTO chief race when the United States is still leaving all of their options open," said the officials.

The officials stressed that the full meeting of the WTO member countries in Geneva set aside 10 additional days for further negotiations to break the deadlock and Peter Sutherland accepted to continue his job as the caretaker director general of the WTO until the end of April.

They did not rule out the possibility that South Korea may seek a withdrawal from the candidacy or the deputy post to the director general of the WTO, leaving all options open.

The officials, however, refused to admit that they were specifically considering withdrawal of the candidacy or seeking the post of deputy director general of the WTO.

Teams Formed To Cope With WTO New Order

SK1703065895 Seoul YONHAP in English 0653 GMT 17 Mar 95

[FBIS Transcribed Text] Seoul, March 17 (YONHAP)—The Ministry of International Trade and Industry (MITI) has formed nine task teams to cope with the new international trade order being established by the World Trade Organization (WTO), the ministry announced Friday.

The teams are related to the nine WTO agreements—anti-dumping, subsidy and countervailing duty, safeguards, technical barriers, textile, trade policy review, arbitration, intellectual property rights and place-of-origin rules.

Joining these teams headed by medium-level ministry officials are specialists from the Korea Foreign Trade Association, Korea Trade Promotion Corp., Korea Institute for Industrial Economics and Trade, Korea Institute of International Economic Policy and Justice Ministry, as well as officials of the International Trade and Industry Ministry.

They are tasked to consult with the industry about agendas on WTO committees and reflect its views when the government makes a policy toward these agendas. They will also attend meetings of WTO committees, if need be.

The government has formed the task teams to make an effective approach to future WTO multilateral trade negotiations, a ministry official said.

The WTO agreements cover a broad range of matters related to trade and their implementation requires experts, he added.

The WTO has so far been subscribed to by 82 countries and it has 12 committees.

Japan's Attempts To 'Beautify' WWII Viewed

SK1703094795 Seoul YONHAP in English 0929 GMT 17 Mar 95

[FBIS Transcribed Text] Seoul, March 17 (YONHAP)—South Korea demanded Friday [17 March] that the Japanese Government step in to check rightist movements in Japan to beautify Japan's role in the Pacific War.

Yi Chai-chun, assistant foreign minister for political affairs, summoned Japanese Ambassador Shintaro Yamashita to the ministry in the afternoon to deliver the Seoul government's concern over Japanese extreme rightists' movements to deter parliamentary efforts to adopt a resolution banning Japan from engaging itself in any war, a Foreign Ministry spokesman said.

Yi said that such developments in Japan could throw cold water on the bilateral efforts to make the 50th anniversary of the end of World War II and the 30th anniversary of the normalization of relations between the two countries.

Yi urged Yamashita that the Japanese Government make efforts to soothe the ultra-rightist sentiment in Japan, although the recent movements are driven by the civilian and parliamentary levels.

Japan recently has been trying to scrap a parliamentary agreement led by the Japanese socialists to adopt a resolution to ban Japan from engaging itself in war. Japan's SANKEI SHIMBUN recently denounced South Korean President Kim Yong-sam for "interfering in internal affairs of Japan" by expressing concerns over the movement in Japan to cancel the efforts to adopt the "no-war resolution" when Kim met with Japanese Prime Minister Tomiichi Murayama during the World Summit for Social Development forum recently.

Yi also expressed concern over the SANKEI's editorial denouncing President Kim.

Yamashita, for his part, also expressed concerns over some South Korean lawmakers' bid to adopt a parliamentary resolution opposing Japan's effort to become a permanent member of the United Nations Security Council.

Political Affairs Official Addresses UN Meeting

SK1703010195 Seoul YONHAP in English 0033 GMT 17 Mar 95

[FBIS Transcribed Text] United Nations, March 16 (YONHAP)—South Korea is prepared to contribute to a trust fund for the improvement of women's social status, second minister of political affairs Kim Chang-suk said Thursday.

She made the remarks in her address before a plenary session of the 39th United Nations Commission on the Status of Women (CSW) that opened at the UN Headquarters Thursday.

The session which lasts until April 4 plans to prepare a draft code of conduct for the promotion of women's status to be adopted at the fourth world conference on women slated for September in Beijing.

To implement the proposed code of conduct, Kim said, member countries will have to establish a relevant setup and support it financially. "South Korea plans to contribute to a trust fund aimed at improving the status of women," she said.

KFTA: Sharp Rise in Direct Investment in PRC

SK1703011295 Seoul THE KOREA HERALD in English 17 Mar 95 p 8

[FBIS Transcribed Text] South Korea's direct investment in China surged 38 times in the past four years in terms of investment cases, the Korea Foreign Trade Association (KFTA) said yesterday.

Based on governmental approvals, domestic enterprises made direct investments in China in 1,989 cases amounting to $1,676 million in 1994, representing 38-fold and 25-fold increases in terms of investment cases and amounts, respectively, from the 52 cases or $68 million worth recorded in 1990.

Domestic firms' investment in China last year also accounted for 54.8 percent of their total overseas investment in the same year in terms of cases and 22.9 percent in terms of amounts.

The sharp rise in Korea's investment in China was largely attributable to the establishment of diplomatic relations between the two countries and cheap labor costs of Chinese workers, a KFTA spokesman said.

Releasing its survey of 173 Korean companies doing business in China, the KFTA said some 86 percent of the investment was centered on Bohai and northeast regions of China such as Jilin and Heilongjiang provinces.

Nearly 90 percent of the respondents said they have engaged in the manufacturing business in China, chiefly textile and clothing, leather and footwear, according to the KFTA survey.

About 81 percent of the pollees have made small-scale investments with a single investment amount of less than $1 million.

Meanwhile, 44 percent of the domestic companies surveyed said their investments were made 100-percent independently.

Key motives behind their investments in China were abundant, low- price and good-quality labor force, convenient mobilization of raw materials, geographical merits plus the potential of the big Chinese market.

A major bottleneck to their advancement into the Chinese market was the lack of information concerning economy-redated regulations, laws and investment environment, according to the survey.

Some 70 percent of the respondents said they are satisfied with the conditions of location at present, but the remainder raised complaints, citing such factors as the lack of transportation means and insufficient power supply.

Most of the satisfied investors are doing business in Shanghai and Jilin provinces, whereas many investors who expressed dissatisfaction are in the Heilongjiang Province, the spokesman said.

Average monthly wage paid by Korean enterprises to Chinese employees stood at 658 yuan (some 65,000 won) for a blue-collar worker and at 534 yuan for a skilled blue-collar worker. It represents some 10-13 percent of the average monthly wage for a Korean worker here.

Labor productivity in China reaches 56 percent of the level achieved in South Korea under the same working condition because of the "not-so-diligent" Chinese workers, most of the respondents said.

Korean companies in China import about 57 percent of the raw materials needed to make their products from their home country and use 73 percent of their total production facilities with Korean-made ones, the KFTA said.

Of their total commodities produced in China, 23.5 percent were exported to South Korea and 48.9 percent to third countries with the remaining ones sell on the Chinese local market.

About 14.3 percent of the respondents, chiefly engaging in footwear, leather and wooden furniture businesses, said they experienced labor-management disputes there.

In the meantime, more than half the pollees said they planned to expand their direct investment in China in the coming years, mainly encouraged by the potential of the giant Chinese market.

Technology Cooperation Pact Signed With Mongolia

SK1703011395 Seoul THE KOREA TIMES in English 17 Mar 95 p 2

[FBIS Transcribed Text] Korea and Mongolia yesterday set up a framework for scientific and technical cooperation, which is expected to significantly boost Seoul's assistance to Ulan Bator.

The Korea International Cooperation Agency [KOICA] and Mongolia's National Development Board, designated by both governments as principal channels for scientific cooperation, signed the Program for Scientific and Technical Cooperation at the KOICA's conference room.

The program is designed to help Mongolia build scientific research centers and offer Seoul's expertise in the field of science and technology to Mongolian trainees.

Last year, Seoul offered a total of 454,000 dollars to Ulan Bator to assist the construction of a computer center at the National University of Mongolia and dispatch Korean experts and youth volunteers.

A KOICA spokesman said that the sum will increase to 692,000 dollars this year, of which 300,000 dollars will be spent to build a food and agricultural product testing laboratory.

The two organizations agreed to endeavor to provide exemption from customs duties for the donations including equipment, publications and materials as well as exemption from income tax for the personnel involved in this program.

Seoul and Ulan Bator set up diplomatic ties in 1991 and since then they have maintained friendly relations as partners sharing a similar history, language and culture.

President Kim Indirectly Chides Assembly Speaker

SK1703065495 Seoul YONHAP in English 0616 GMT 17 Mar 95

[FBIS Transcribed Text] Seoul, March 17 (YONHAP)—President Kim Yong-sam has reportedly uttered Friday remarks that sounded like a scolding to National Assembly Speaker Hwang Nak-chu in connection with his allegedly "carelessness and dubious demeanor" when he was detained at his residence by opposition party members.

During a breakfast meeting at Chongwadae on Friday with the officials of the ruling Democratic Liberal Party (DLP), Kim repeatedly expressed regret over the extreme political confrontation with the opposition Democratic Party (DP) over the issue of revising the local election-related law.

Kim was quoted as saying, "the speaker's residence was occupied..., it is regrettable that there was no proper action taken in reaction."

Most participants at the meeting shared the view that the president, even though he did not mention anyone by name, expressed such regret with the speaker in mind.

An official who took part in the meeting said, "President Kim was seemingly chiding Speaker Hwang for his dubious attitudes.

Another participant said that President Kim expressed regret over the DLP's "inefficient" handling of the trouble caused by its move to revise the integrated election law.

Burma

Opposition Reacts to Release of NLD Leaders

BK1703123895 Oslo Democratic Voice of Burma in Burmese 1430 GMT 16 Mar 95

[FBIS Translated Text] Listeners, the SLORC [State Law and Order Restoration Council] military clique released U Tin U and U Kyi Maung, chairmen of the National League for Democracy [NLD], on 15 March.

The NLD in the liberated area released a statement on 16 March regarding its position on the matter. The statement, received by the Democratic Voice of Burma, says the members of the NLD in the liberated area are pleased by the SLORC's release of NLD Chairmen U Tin U and U Kyi Maung on 15 March. Because Burma's political problems must be settled politically, the SLORC must release all political prisoners immediately and unconditionally, including Daw Aung San Suu Kyi. The statement reiterates that if the SLORC sincerely wants national reconciliation and genuine internal peace, the most suitable and best solution is to hold face-to-face talks with the democratic forces led by Daw Aung San Suu Kyi and the indigenous armed organizations. The statement says that a genuine national convention would be composed of people's representatives directly elected by the people and based on mutual respect and equality. The National Convention being held by the SLORC is a sham national convention. Not only does it fail to serve the interests of the nation or people, it endangers Burma's long-term stability and development.

Therefore, the SLORC should release all political prisoners unconditionally and immediately and solve the political problems by holding face-to-face talks and consultations among all political forces in Burma. The statement also urges the people to work actively to develop democracy and human rights in Burma.

Listeners, U Maung Maung Aye, minister of information of the National Coalition Government of the Union of Burma, also stated his position on the release of NLD Chairmen U Tin U and U Kyi Maung. He said he welcomed the release of NLD Chairmen U Tin U and U Kyi Maung, but said the release is a political ploy by the SLORC. He said the SLORC has not changed. He said the release of U Tin U and U Kyi Maung was intended to reduce international condemnation and pressure regarding its continued human rights violations and the military offensive against Manerplaw. He said the SLORC has always resorted to such methods each time it is confronted with political difficulties. He said the release appears to be an attempt to give the ASEAN countries the impression that the SLORC has changed prior to the July 1995 ASEAN meeting.

Furthermore, he said the release of U Tin U and U Kyi Maung as ordinary prisoners will not bring about significant change. It is necessary to give them their political rights. We will have to wait and see whether Chairmen U Tin U and U Kyi Maung will be given their political rights and freedoms. Furthermore, if the SLORC is sincere it should unconditionally release all political prisoners, including Daw San Suu Kyi. If the SLORC genuinely desires internal peace, it should cease military operations against the KNU [Karen National Union] and stop the practice of signing separate cease-fire agreements with indigenous armed organizations. Only when the SLORC and the democratic and indigenous forces meet face-to-face and attempt to solve their problems through political means can the country's problems be solved.

KNU Statement on Gas Pipeline for Thailand

BK1703112095 (Internet) BurmaNet News in English 1200 GMT 12 Mar 95

["Statement by KNU [Karen National Union] Foreign Affairs Department on Burma-Thailand Natural Gas Pipeline"; issued on 24 February; place not given—"for immediate release"]

[FBIS Transcribed Text] Burma's ruling junta, the State Law and Order Restoration Council (SLORC) recently signed an agreement with the Government of Thailand for the sale of gas from Burma's off-shore Yadana field to Thailand. The project involves the construction of a 400 km pipeline by two foreign companies, Unocal of the US, Total of France. Because of misleading statements made by representatives of Unocal and the SLORC concerning the military and human rights situation in the vicinity of the pipeline, the KNU would like to clarify its position concerning the pipeline, which will be built through its Mergui-Tavoy District.

The SLORC has been planning to extract natural gas from the huge reserves in the Andaman Sea and sell it to Thailand since early 1990. The project has resulted in massive human rights abuses, forced labour on the related Ye-Tavoy railway construction and forced relocation of many villages.

There are countless Mon and Karen refugee testimonies to this. Both the Mon and Karen ethnic groups have produced reports documenting this appalling situation in the area marked out for the pipeline construction.

Mr. John Imle, President of Unocal was quoted (Bangkok Post 11-2-95) as saying that human rights abuses and SLORC military action in the Mergui-Tavoy area and the consequent movement of refugees fleeing to Thailand were a result of threats to the pipeline project by Mon and Karen rebels.

He said, "If you threaten the pipeline there's gonna be more military. If forced labour goes hand and glove with the military, yes, there will be more forced labour. For every threat to the pipeline there will be a reaction".

The KNU would like to make it clear that human rights abuses by the SLORC military and forced re-location of the civilian population date back to early 1991 when the original plan for the pipeline was changed from a route through 3-Pagodas Pass to a more southerly route emerging to Thailand at Nat Ein Taung (Ban Ei Tong) near Thom Pha Phum, Kanchanaburi Province.

Beginning at this time in 1991 SLORC troops stepped up military activities along the pipeline route. Karen village leaders were summoned and ordered to relocate their villages to non-Karen areas. Nine (9) Karen villages were deserted, the population either leaving their land to go to the new place or fleeing to Thailand to become refugees.

At the same time SLORC troop activities were stepped up and in late 1991 (19-12-91) they occupied one of the KNU Mergui-Tavoy District Township offices at Nat Ein Taung. Following this the migration of refugees to the border has increased steadily as villagers felt insecure and dispossessed of their land and gardens.

The SLORC troop build-up has been continuous since 1991, and in early 1994 had 21 infantry and light infantry battalions, 4 artillery units and an airforce squad in the district, compared with only 5 battalions in 1990.

The time leading up to the final signing of the gas contract between SLORC, Unocal, Total and PTT (Thailand), has seen the offensive assume new proportions with the unfolding of "Operation Nat Min" (Spirit King), the objective of which is the total destruction of rebel forces in the area and the securing of the pipeline against attack. The operation is scheduled to run from December 1994 until July 1995.

Since December 1994 several thousand civilians have been rounded up for porter duty with the military (most recently at Mergui), paddy seized from villages in the Po Klo River area of Tavoy and villagers forced to flee to the jungle for safety. 40 houses were looted and destroyed and 300 people left homeless and hungry.

By late 1995 SLORC troops of the 25th Battalion had advanced close to the Tenasserim River resulting in 1,400 people fleeing across the border to Thailand at Bongti, near Kanchanaburi. At present there are 1,600 people evacuated from 4 villages along the Tenasserim River camped in make-shift shelters near the Thai border at Bongti, while the civilian population has started to leave the Po Klo River villages to seek safety closer to the border.

These people have not simply been displaced by threats against the pipeline by rebel forces but because of a consistent policy of the illegal SLORC regime to clear the entire area of Karen and Mon people and to establish a wide security zone parallel to the pipeline. That is why, with regard to rebel threats to the security of the pipeline, SLORC's Ambassador to Thailand, U Tin Win, was able to state recently that, "there are no such rebels. They are just 'ungrouped people', who cannot pose such a threat."

The KNU and the KNU's Mergui-Tavoy District wish to state clearly that they are not opposed to the pipeline per se but oppose any business venture that strengthens the illegal SLORC's hold on power and hence fuels the civil war. With the establishment of conditions for peaceful resolution of the country's problems the KNU will welcome and cooperate fully with any business activity that serves to improve the living conditions of the Karen people and that does not abuse internationally accepted standards of human rights nor have detrimental effects on the environment.

The KNU strongly urges the concerned companies associated with the pipeline project to note the true facts of the case. The KNU's Mergui-Tavoy District Chairman, Saw Kwe Htoo, is ready to welcome representatives of the companies involved at any time and arrange interviews with people who have fled the area.

Cambodia

Sam Rangsi Circulates 'Note' on Development

BK1703091895 (Internet) SEASIA Listserv in English 1700 GMT 16 Mar 95

["Note" prepared and distributed by National Assembly member and former Finance Minister Sam Rangsi; date not given: "How International Aid Can Foster Development"]

[FBIS Transcribed Text] Development to be real must be sustainable: assistance, to be effective, must seek to foster and ensure sustainability. Foreign donors who wish to see Cambodia progress economically and socially therefore have a duty to ensure that their assistance (particularly when paid for by their domestic public through taxes and generosity) is going to be used in a constructive manner to promote the long-term development of the recipient country. For their part, the Cambodian government is accountable to its foreign benefactors in the same way as they are to its own tax-payers and voters. As foreign governments and institutions prepare their approach to the ICORC [International Committee on the Reconstruction of Cambodia] meeting in Paris, they thus must not only examine Cambodia's present needs but also consider how to use their influence for a better future for the country.

Four examples can be given of areas which donors should carefully consider when deciding how to give their assistance, and use their influence, most effectively.

The first is the strengthening of the rule of law. Without a comprehensive legal framework and a judicial system which is acknowledged by all to be impartial and independent, a society has no way to resolve its normal, everyday frictions other than through arbitrary recourse to strength and violence. The law and the courts are an indispensable foundation for democratic rule, social harmony and economic development. They are also crucial to attempts to attract foreign investment: for companies prepared to make large- scale, long-term investments, the security and predictability provided by transparent procedures and a dependable legal framework is far more important than tax-breaks and advertising.

It is thus regrettable that, with so much of the legal framework still lacking and a number of important laws already drafted and awaiting discussion, the National Assembly suspended itself for another month on 23 February 1995 after one morning's session, having met only for 5 days in the previous three months. Laws fundamental to business (such as the commercial Code, the Banking Law, Labour Law and the Foreign Exchange Law) and to democracy (such as the Press and Anti-Corruption Laws) have been waiting for months to come before Parliament. In some cases (the Press Law and Law on Association being obvious examples), discussion is probably being delayed to avoid embarrassment prior to ICORC. In other cases (such as the Labour and Anti-Corruption laws drafted by MPs), the Government is playing for time. (On the particular issue of the Labour Law, the Government is trying to avoid granting workers the right to strike; an issue which the United States may want to take into account before granting Cambodia MFN status.) Other urgent and far-reaching reforms are frustrated because the drafting of the relevant laws is being stymied: agrarian reform cannot take place because no Land Law is in sight; decentralization of government and democratization of local administration cannot take place because no Administrative Law exists to define the responsibilities of the local authorities. Meanwhile, some of the few laws that have been passed, as well as many provisions of the constitution, remain on paper only since the necessary additional legislation and regulations, e.g. on nationality and the establishment of the Constitutional Council, are lost somewhere in the drafting stage.

Donor countries, particularly those who contributed significantly in money and personnel to the organization of the May 1993 elections, may be rightfully concerned, on the one hand, about the slowness of moves towards enacting the rule of law and, on the other hand, about the controversial provisions of certain draft laws which will be discussed by the National Assembly only after ICORC.

The second example is intimately related to the first. Having established a legal framework, it is essential that the Government respects, and is seen to respect, the Law. Further, for the democratic system of checks and balances to work, it is vital that the National Assembly and the Judiciary have the right to examine and judge whether the Government has indeed acted according to the law. On 4 February 1995, I—as a Member of Parliament—formally used my right under Article 96 of the Constitution to ask the Government about five contracts it had recently signed with certain Malaysian companies. On 8 February 1995, five other MPs, who had met an utterly evasive Government response to an earlier request for information, wrote a letter formally questioning the Government about the details of these same contracts. According to the constitution, the Government must answer any such question or request for information within seven days. Yet, as of today [2 March 1995] nearly a month later, absolutely no response has been given to either letter.

What does the government achieve by so blatantly violating the constitution? Does it not realize that doubts about the transparency or legality of the contracts concerned will only be reinforced by this highly conspicuous silence, all the more conspicuous since certain Government leaders have been very vocal about my own supposed motivations in posing such questions? Does it not realize that, if it fails to address these no doubt highly embarrassing issues before ICORC, then the donor countries may be forced to raise these issues at the ICORC meeting itself? Accountability for its actions towards the National Assembly, towards the law, towards public opinion, towards those paying the state's bills—this is an ordinary and indispensable part of Government, not something which can be avoided with personal insults, threats against political opponents and the press, and yet further secrecy. The failure to answer MPs' questions is of serious concern, not only in itself (many of the contracts having huge commercial and long-term implications), but also because this was the first time that members of the National Assembly have tried to ask questions of Government policy. Hitherto, the Parliament has served solely to discuss and approve (Government-sponsored) laws. Its equally important role, that of acting as a watchdog on the executive's actions, has been entirely neglected. To discuss, monitor and criticize Government policies has thus become the role of the press, a few Non-Government Organizations and a handful of "maverick" MPs alone. After the next ICORC meeting, all of these newspapers, NGOs, and individuals are fearful that the small democratic space which opened up during the UNTAC [United Nations Transitional Authority in Cambodia] era will be yet further reduced.

The third example concerns the disastrous short and long-term consequences of the Cambodian Government's policy towards the country's forests. Everyone knows that the Khmer Rouge are only interested in exploiting the natural resources under their control as quickly as possible for their own profit and to sustain their pointless war against the Cambodian people. No-one seriously expects them, at the same time as burning villages and killing peasants, to care about the ecological and human effect of their policies. The Royal Government must be different. It should not take the Khmer Rouge as the basis for comparison, as the reference-point for its achievements, since anyone could do better than Pol Pot in every field. When touring the countryside and distributing relief to the victims of the food shortages, even famine, affecting much of the country, Government officials must ask themselves what are the causes of last year's drought and floods which have brought about the present food crisis. The Government has declared a total ban on further felling of trees from 1 January 1995 and an end to timber exports from 1 May 1995. However, as explained in detail in a separate document that I am also making public today, the Government's forestry policy since 1 April 1994 gives very little reason for confidence that these commitments will be kept to. The two fundamentals for any forestry policy—sustainable logging only, with guaranteed reforestation so as to preserve the ecological balance; and strict adherence to laws to ensure that any felling and export of timber brings the maximum financial benefit to the State budget—have been deliberately violated in every twist and turn of the Government's approach. To give an idea of the scale of the problem: for the second half of last year, after the controversial decision of the two Prime Ministers on 18 June 1994 to allow the Ministry of National Defence to deal with the exports of timber, the military granted licences for the export of 1.2 million cubic metres of timber to Thailand alone. The value of this timber on the border is US $120 million, equivalent to 34 per cent of Cambodia's entire budget for 1994.

Deforestation and its consequences is a classic case where the donor nations can use their assistance and their influence to the utmost for the benefit of the recipient country. In many ways, forestry policy can be seen as a pointer to the Cambodian Government's commitment towards sustainable development because it involves so many crucial issues: transparency in public decision- making, respect for the law and for the public finances, empowerment of the local community by involving them in decisions concerning their habitat, and accountability for the effects of one's policies on the country's future. Donor countries and institutions can, for example, help foster such a commitment by providing the expertise with which Cambodia can prepare proper environmental legislation and a responsible, sustainable policy for use of its forestry resources. They can help strengthen the capacity of the Ministry of Environment and the Forestry Department to monitor legal and illegal felling. They can work with NGOs and grassroots communities to develop forestry policies which will really benefit the local population. They, together with particularly the neighbouring countries, can cooperate with the Cambodian forestry and customs authorities to interdict illegal timber exports. And in this and future years, they can provide relief to those people who are suffering from the environmental consequences of the massive deforestation of the last ten years.

But such assistance is pointless unless the Government fulfills its side of the bargain. Hence, the donor community must also closely monitor Government policy and be prepared to tell it, politely but firmly, when its actions are not in line with long-term sustainable development. For example, without pressure from the domestic and international press, from foreign embassies and governments, and from the international financial institutions, no doubt the Royal Government would have continued on its suicidal and illegal course of entrusting the Ministry of National Defence with full responsibility for Cambodia's forests. When the Government bans new felling of trees on the one hand and signs away massive logging concessions (such as to the Malaysian company, SAMLING) on the other, the international community has to point out the contradiction. And it is the international community which has the right to do so because it is they who will have to pick up the cost of providing relief to famine victims and who will have to make up for the tens of millions of dollars lost to the National Budget last year because of the two Prime Ministers' decision. More transparency and accountability can reduce the effects of this cycle of corruption, deforestation and poverty (see Appendix 1) [appendix not included as received].

The fourth example for the international community to consider thus concerns the budget (Appendices 2 and 3) [appendices not included as received]. Instead of addressing the economic and social needs of the poor, the bulk of the Cambodian budget is being devoted to military expenditure, with nearly 50 per cent of total current expenditure allocated to defence and security. Some figures may illustrate the problem: the original budget law for 1994 allocated 164 billion riels to the military; a revised budget law drawn up in September increased this amount to 204 billion riels; in fact, by the end of the year, military spending accounted for 239 billion riels (without even considering military expenditure hidden under the cover of other Ministries and institutions). In other words, the budget law for 1994 was not respected and, unless action is taken, the same is likely to occur in 1995.

The military has already made it known that they have accepted a reasonable figure during the preparation of the newly-approved 1995 Budget on the understanding that a revised budget later in the year will significantly increase their allocation. The international community, which is a decisive contributor to the Cambodian budget, may wish to ensure that this does not actually happen. Even the official figures for defence spending are misleading since they fail to include the billions of riels that the military is making from logging, rubber, smuggling and illegal collection of fees. Indeed, the total loss of revenue for the 1995 budget from all sources is likely to amount to US $150 million from timber, US $25 million from rubber, and tens of millions of dollars from "commissions" and "tips"given by private companies. In sum, more than US $200 million of state revenues are likely not to find their way to the national budget in 1995, whereas total international assistance for the same year from more than 20 countries and organizations is expected to amount to only US $179 million.

The ICORC meeting is taking place at a critical moment. The country has made some progress since the May 1993 elections according to standard macroeconomic indicators. It would indeed be surprising if, given all the international aid pouring into Cambodia, we had not made any progress at all. (I remember when, shortly before the elections, UNTAC announced that Cambodia had achieved an 8 per cent GDP growth in 1992 but also pointed out that during the same year the UN had spent an amount equivalent to 10 per cent of GDP within the country.) However, the living conditions of the majority of the population, especially in the countryside, do not appear to have improved. Insecurity and food shortages have indeed caused additional hardship for much of the rural population over the past year. The ICORC meeting must thus analyse the underlying causes for this lingering misery of the Cambodian people. One can look, for example, to the war and related abuses of power, corruption, lack of enforcement of the few laws and regulations already adopted, unchecked deforestation, etc.

Thinking back to the previous ICORC meeting and referring to the speech I made on behalf of the Royal Government of Cambodia on 10 March 1994 in Tokyo, I am sad to note that there have been several set-backs in the reform process, such as the suspension of the centralization of State revenues because of the harmful forestry policy, reduced transparency in the decision-making process leading to the signing of many dubious contracts with the private sector the failure to introduce a Pre-Shipment Inspection system to "ensure the accuracy of invoice values and provide useful quality controls" of imported goods, the abandonment of the proposed construction permit tax, the collapse of promotion through competitive examination, the failure to introduce the promised laws on the Central Bank, financial institutions and foreign exchange, and so on.

Cambodia has only progressed so far in the last few years thanks to international support and she desperately needs further assistance in almost every sphere—social, educational, economic, judicial, environmental, etc. There are three ways in which such assistance can be given. Firstly, there are many infrastructural and other projects which can be directly financed and carried out by donor countries and lending institutions. Secondly, numerous NGOs and international agencies are doing excellent work and carrying the main burden of development in the provinces, districts and villages, including providing the public services which are normally the task of the State. I can only appeal to the generosity of donor governments and their tax-payers to continue their support of both these forms of assistance. The third form, aid given through the Government structure, is the most problematic in the Cambodian context, both because of the State's administrative weakness and the extent of corruption. But, in the long run, sustainable development requires a viable State and many development projects rely on working with, and building up the government structure. It is for this reason that technical assistance—designed to build up the State's capacity to efficiently identify and meet public needs—is as important as financial aid. Indeed, technical assistance, by increasing absorptive capacity, is the prerequisite for the State to effectively use financial aid. In the brief interim period whilst the Cambodian government is reorganizing its revenue base and the civil service, it is also essential that aid from foreign nations and international institutions covers the budget deficit so as to prevent inflation and a corresponding decline in economic confidence. But to ensure that this latter form of assistance to the Cambodian government is used wisely and efficaciously, the donor community should not give a blank cheque. Rather it should provide assistance in stages, impose conditions on its disbursement and continuation, and closely monitor the use made of such assistance to ensure that it contributes to the long-term development of our country. Such conditions should include greater transparency in public decision-making, the continuation of structural reforms (such as land and fiscal reform), the establishment of true rule of law, the strengthening of democratic institutions and mechanisms, and guarantees that fundamental human rights will be respected.

Sam Rangsi's Activities at ICORC Viewed

BK1703093595 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 16 Mar 95 pp 1, 2

[From "This Issue's Comment" column by Saovaphoan: "The Tragedy of Sam Rangsi's Political Life"]

[FBIS Translated Text] In mid-March, Paris will be the arena for Sam Rangsi to show the final drama of his short political life in Cambodia.

While the royal government's delegation has to kneel down to the chair at the third conference of the ICORC [International Committee on the Reconstruction of Cambodia] to ask for aid for the reconstruction and development of Cambodia, Sam Rangsi will be termed as the one who is blocking this essential aid. Many observers say Sam Rangsi's choice will not benefit his political life whatsoever. Worse still, it does not at all benefit this poor Cambodia. Whether the outcome at the ICORC conference will be good or bad, Sam Rangsi will be the politician who loses the most.

If, at this third ICORC conference, the aid for Cambodia declines, Sam Rangsi will become a "culprit" for Cambodia. But if, at this conference, Cambodia still gets the aid as promised by the donor countries, Sam Rangsi will be in disgrace. Those who still sympathize with Sam Rangsi said that he has done some ill-timed work. Cambodia's need for survival has invoked the people in general to support aid for Cambodia rather than to oppose it for the sake of whatever "ideal."

Since he was removed from the post of minister of economy and finance, Sam Rangsi has taken up a number of activities in opposition to the royal government's deeds. Judging from those activities to this anti-aid campaign at ICORC, except for some "stimulus" from the foreigners who are affected by Cambodia's internal disturbances, the result of Sam Rangsi's work is totally negative.

No one believes that after the event in Paris ends, Sam Rangsi will be able to revive some of the reputation he had in the past. Sam Rangsi has made "an ill-timing speech" which serves only as the "last song" of his political life.

Laotian Defense Minister's Visit Reported

Greeted by Chay Sangyun

BK1603133395 Phnom Penh National Radio of Cambodia Network in Cambodian 1200 GMT 15 Mar 95

[FBIS Translated Text] A Lao People's Democratic Republic Defense Ministry delegation led by His Excellency [H.E.] Defense Minister Choummali Sai-gnason arrived on the morning of 13 March for an official visit to the Kingdom of Cambodia at the invitation of the Cambodian Defense Ministry. The aim of the visit is to promote the relations of friendship between the armies of the two countries.

On hand at Pochentong Airport to greet the delegation were H.E. Chay Sangyun, co-state secretary for national defense; H.E. Pol Saroeun, deputy chief of the Army General Staff, and several senior Defense Ministry and General Staff officers.

After the welcoming by H.E. Tie Banh and H.E. Tea Chamrat, co-ministers of national defense, in an officially military fashion at the Chamka Mon state guest house, the delegation at 1430, accompanied by H.E. Chay Sangyun and H.E. Pol Saroeun, went and laid a wreath at Independence Monument. The delegation was then later received by H.E. Tie Banh and H.E. Tea Chamrat at the Defense Ministry.

Also present at the meeting were H.E. Ek Sereivoat, co-state secretary for national defense; H.E. Chay Sangyun, and H.E. Pol Saroeun as well as other senior officers.

H.E. Tea Chamrat warmly welcomed the Lao military delegation, which came to enhance the friendship and cooperation between the armies of the two countries. He then briefed his guests about the ongoing successful restructuring of the Khmer Royal Armed Forces.

In his reply, H.E. Choummali Sai-gnason deeply thanked the Kingdom of Cambodia's Defense Ministry for its warm welcome. He said he was very delighted with the honor rendered to him and his staff and that this is evidence of the closer ties between the two armies.

The two sides also exchanged views on the political, military, and security situation of their respective countries.

Concludes Visit 16 Mar

BK1603145395 Phnom Penh National Radio of Cambodia Network in Cambodian 1200 GMT 16 Mar 95

[FBIS Translated Text] During its stay in the Kingdom of Cambodia, the Lao People's Democratic Republic Defense Ministry delegation led by General Choummali Sai-ngason—accompanied by His Excellency [H.E.] Chay Sangyun, state secretary for defense, and H.E. Pol Saroeun, deputy chief of staff of the Khmer Royal Armed Forces [KRAF]—visited Sihanoukville on 14 March. The delegation was warmly welcomed by H.E. Khim Bo, deputy governor of Sihanoukville; leading city officials; and many KRAF members.

On 15 March, the Lao Defense Ministry delegation visited Angkor Wat and Angkor Thom temples and the crocodile farm in Siem Reap-Oddar Meanchey Province. Greeting the delegation at the provincial airport were H.E. Neou Sam, deputy governor of Siem Reap-Oddar Meanchey Province; leading provincial officials; the provincial armed forces and military police; and the provincial police. Meeting with the province's leading officials, H.E. General Choummali Sai-ngason paid great attention to the development in Siem Reap-Oddar Meanchey Province, particularly in the tourism sector. He also expressed the hope that the province will develop further in the future.

At 1700 on the same day, the Lao Defense Ministry delegation led by H.E. General Choummali Sai-ngason, Lao defense minister, called on H.E. Sar Kheng, deputy prime minister and co-interior minister.

At 0800 on 16 March, before leaving the Kingdom of Cambodia, the Lao Defense Ministry delegation was allowed to call on his majesty the king at the Royal Palace.

At 1100 the delegation left for home. Seeing the delegation off at Pochentong Airport were H.E. Chay Sangyun, state secretary for defense; H.E. Pol Saroeun, KRAF deputy chief of staff; and many high-ranking officers of the National Army.

PGNUNS Warns Government Troops on Fighting

BK1703124095 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 16 Mar 95

["Special appeal"; date and place not given—read by announcer]

[FBIS Translated Text] Special appeal to soldiers of the 11th Division, 3d Division, and 9th Division to immediately run away from the battlefield in order to avoid being killed and leaving their bones in the jungle:

I. The forces on the northern Cambodian battlefield in the provinces of Preah Vihear, Siem Reap, and Oddar Meanchey where the traitorous two-headed government, communist Vietnam, and the alliance launched their campaign from late October 1994 to 9 March 1995—a period of over five months—have been completely defeated. In this situation, the fraternal soldiers who have been drafted, through their fascist acts, by the two-headed government, communist Vietnam, and the alliance and sent to fight and die in their place know very well how many of them have been killed, wounded, disabled, rendered blind or crippled, starved, afflicted with malaria or typhoid, and have been insulted and denied food and pay by their commanders. Most miserably, they have experienced deaths and injuries; been separated from their children, parents, and other relatives; and left behind skin, flesh, blood, and bones in the jungle.

II. However, the cheap, two-headed lackeys of communist Vietnam and the alliance as well as communist Vietnam did not hesitate to mobilize the brothers in the 11th Division, 3d Division, and 9th Division in Siem Reap and Oddar Meanchey Provinces, sending 300 of them to hide in the vicinity of Bak Noem east of Route 68 since 14 March. They forced the brothers to act as a bridgehead for them to conscript more people, arm them, and send them to Bak Noem to help in their last-ditch struggle at the end of this 17th dry season, their desperate grasp for air. The 300-plus troops—over 80 percent of whom were fresh conscripts—were sent to the battlefield and forced to hide in the jungle without water to drink or rice to eat and made to sleep on the hard, burning ground without mosquito nets, blankets, hammocks, or mats.

On the night of 14 March, our national army, guerrillas, and people tracked down and discovered this new troop concentration of the two-headed government near Bak Noem. On 15 March, our national army, guerrillas, and people surrounded the newly positioned enemy troops and planted mines and punji stakes on all roads and accesses. Thereafter, our national army, guerrillas, and people began attacking the enemy troop concentration from all directions, killing or wounding many soldiers and forcing others to flee from the battlefield and run into mines and stakes. Many were killed or wounded. The cries of pain and fear echoed all over the jungle.

At dawn on 16 March, our national army, guerrillas, and people continued to attack the hideouts of the two-headed forces from all directions.

From 0700 to 1000 on 16 March, our national army, guerrillas, and people smashed and swept away most of the small and medium-size enemy positions in this area. A number of enemy troops fled from the battlefield through the jungle. Their fate is not known. No one knows how many of them have died, been wounded, or gone hungry.

By 1400 on 16 March, only a little over 100 enemy troops remained. Most of the dozen general commanders and some 10 to 20 field-grade officers there have been wounded. A few of them have been wounded on the battleground, including Khan Savoeun, Im Sopheap, Say Thi, Men Sat, Bav, and Sovan. The main antenna of their principal command post was completely destroyed. Many smaller antennas of unit-level radio sets were also destroyed or damaged.

At 1430 on 16 March, a number of three-star, two-star, and one- star generals and a few colonels were heard communicating to each other over the radio. They decided to rush away from the battlefield because, they said, they would all be killed if they stayed. They might get killed or wounded if they flee, but some of them would survive.

III. In the light of such a critical situation, the Provisional Government of National Union and National Salvation, Democratic Kampuchea, the National Army of Democratic Kampuchea, and the people of Siem Reap and Oddar Meanchey Provinces would like to make a special appeal to the soldiers in the 11th Division, 3d Division, and 9th Division which are being surrounded and attacked from all directions: please run away from the battlefield; run away from the battlefield immediately; run away in order to live; live in order to be reunited with your loved ones; live in order to stop being two-headed soldiers forever; and live in order to become ordinary citizens who work in their families as happily as before.

The brothers are urged to quickly make up your mind. You are urged to run away immediately.

Indonesia

Minister on U.S. Charges on Copyright Violation

BK1603160695 Jakarta KOMPAS in Indonesian 15 Mar 95 p 6

[FBIS Translated Excerpt] Jakarta, KOMPAS—Strong U.S. charges about the copyright violations in Indonesia can be regarded as a warning, although the Indonesian Government has tried to ask Indonesians to respect the copyrights of other people.

Justice Minister Utoyo Usman stated this at the Department of Justice in Jakarta on Tuesday. The justice minister made the remarks following an 'Id al-Fitr get-together with about 5,000 personnel of the Department of Justice.

He added that the government was trying to enhance the implementation and popularization of laws on intellectual property rights to reduce copyright violations. Nevertheless, violations cannot be completely eradicated within a short period of time.

"We will continue to enhance the implementation and popularization of the laws. The existing laws, including provisions for the period of the copyright protection will be revised. If songs by Broery [a famous Indonesian singer] are played in a hotel, the hotel must pay the royalty," the justice minister said.

According to the justice minister, we are taking measures to protect the copyrights of both foreigners and our own people. "In fact, many Indonesian brands have been pirated abroad," he said.

Charges about the copyright violations have been heard through the mass media. Computer software, in particular, have been pirated, although piracy is taking place everywhere. Members of the Business Software Alliance [preceding three words in English] say that it is relatively easy to reproduce computer software. [passage omitted]

Sanyoto on U.S. Position on Software Piracy

BK1703054495 Jakarta MERDEKA in Indonesian 7 Mar 95 pp 1, 10

[FBIS Translated Text] Jakarta, Monday, MERDEKA—Sanyoto Sastrowardoyo, minister of state for the mobilization of investment, and chairman of the Investment Coordinating Board, has said that his office will study the impact of a possible U.S. trade threat against Indonesia, particularly the flow of foreign investment into the country.

"We do not rule out such a threat, but I cannot give my comments now. I will first study everything," the minister told reporters following an 'Id al-Fitr get-together with personnel of the Investment Coordinating Board in Jakarta on 6 March.

It was reported several days ago that after accusing China of pirating many U.S. products, the United States would do the same thing against Indonesia, Bulgaria, and Turkey.

The United States has accused Indonesia of pirating and selling U.S. software.

According to Sanyoto, the phenomenon must be studied thoroughly because it will have far-reaching impact on and be strongly linked to the flow of foreign investment into Indonesia in the future. The minister, however, was unable to explain what action the government would take against businessmen who violate the copyrights of foreign products if many are truly found to be doing so.

In the meantime, Richard P. Napitupulu, deputy chairman for planning of the Investment Coordinating Board, said firmly that it would be illogical for the United States to impose trade sanctions on Indonesia for pirating its products because Indonesian technology has not reached such a level.

"Even if there were pirated products here, it is very likely they could have been imported from Singapore and China. Thus, the charges that Indonesia is illegally reproducing U.S. products has no strong basis," Napitupulu reasoned.

He, however, added that this does not mean that Indonesian businessmen are not wrong, although the reproducers are not Indonesians.

According to him, importing pirated products is an offense, although the goods are imported through official customs procedures, and importing them through unofficial channels is obviously a serious offense.

According to Napitupulu, the Customs and Excise Directorate General is responsible for the entry of the pirated products because export and import documents can indicate the nature of the products.

"The customs documents can clearly indicate that the products belong to a company in one country but were manufactured in another country. The Investment Coordinating Board has no authority to monitor the entry of any products into the country, although the board issues licenses to businessmen," he said.

Bank Chief Views Impact of Yen Appreciation

BK1703091795 Jakarta KOMPAS in Indonesian 13 Mar 95 pp 1, 13

[Passage in italics published in English]

[FBIS Translated Text] Jakarta, KOMPAS—The yen appreciation has a short- and long-term impact on Indonesia's debt burden. It is unfair to say that the appreciation has certainly worsened the foreign debt burden.

The Bank of Indonesia [BI, Indonesia's Central Bank] has taken measures to protect foreign exchange reserves in other strong currencies. Thus, the yen's appreciation has a relatively neutral impact on the country's foreign debts.

BI Governor J. Sudrajad Jiwandono said this in Jakarta on Friday in reply to questions from reporters on the impact of the yen's appreciation on the Indonesian economy.

He admitted that the yen appreciation has certainly caused the country's *outstanding* foreign debts to increase. He commented on the estimate of many parties that the yen appreciation had increased the foreign debts by $3 billion.

The estimate is based on the fact that 41 percent of $56.20 billion worth of the foreign debts incurred by the Indonesian Government are in yen. Thus, if the yen appreciates by 3 percent, for example, the amount of foreign debts in yen to be repaid in dollars will increase by 3 percent multiplied to the percentage of foreign debts in yen.

"In fact, there has been an increase on the basis of that simple estimate. But, please don't forget that 35 percent of our foreign exchange reserves are in yen. They should also say that the foreign exchange reserves in yen have also increased against the U.S. dollar," he said.

Moreover, he said, the U.S. dollar has recovered against the yen. This means the *outstanding* foreign debts in U.S. dollars have decreased against the yen. "Thus, it is back to square-one," he said.

He also said the yen appreciation did not occur for the first time. "We all should no longer be surprised over the reality, but many parties are in fact surprised," he said.

According to Sudrajad, every time the yen appreciates, there are questions about its impact on Indonesia. The BI seems to be silent, although this does not mean that the bank does nothing. The BI's position, he said, is not as simple as thought by all parties.

Ability to Repay Debts

Replying to the questions of many parties on Indonesia's ability to repay its foreign debts in the wake of the yen appreciation, Sudrajad stated that the Indonesian Government would certainly be able to repay its foreign debts.

The Indonesian Government incurs $8.5 billion worth of foreign debts annually and is in possession of about $13 billion worth of foreign exchange reserves which can finance five months' imports.

In addition, the BI changes the composition of foreign exchange reserves from time to time. "For example, 29 percent of foreign exchange reserves were in the yen when I joined the BI and the percentage has now increased to 35. The percentage will probably be increased in accordance with market developments as well as the development of other strong currencies to neutralize the impact of growing foreign debts in U.S. dollars against the yen," he said. He, however, added that such a composition will not necessarily be meant to protect foreign debts.

He also reminded us that the majority of Indonesia's foreign debts are not short-term but rather long-term with a grace period of eight years. "Thus, our foreign debts are different from Mexico's, many of which are short-term."

"If you ask whether we will be able to repay the foreign debts worth 56.32 billion, I will say that it will depend on our ability to increase exports. Accordingly, I have repeatedly said that we need to increase our nonoil and nongas exports. The exports have become a foreign exchange source. I have also repeatedly said that we need to continue the deregulation policy to make the economy efficient," he said.

Persuasion

Sudrajad said that the BI always deals with banks through a *consultative group* to protect foreign exchange reserves. He said that any purchase of the U.S. dollar at home and abroad is generally conducted through banks in Indonesia.

The BI deals with the banks on the basis of a *moral persuasion* or, in other words, through informal talks to enable them to understand the government's position. Moreover, the banks are usually asked not to help push a U.S. dollar *rush*. "In principle, we have a mechanism to deal with the banks," he said.

In addition to the mechanism to deal with banks, there exists now the *Foreign Exchange Club* which is made up of foreign exchange *fund managers* and *dealers* in banks. "We have also taken measures to deal with the yen appreciation and the fluctuation of other currencies," he said.

The BI governor advised business circles not to simply reap profits from currency fluctuations. "The Indonesian Government has promised not to conduct any radical measures," he said.

According to reports from various international money markets, the U.S. dollar and the French franc have recovered although the situation remains uncertain in the markets. The U.S. dollar recovered to 1.4050 German mark from 1.3900 on Thursday. In Tokyo, the U.S. dollar ended at 91.53 yen, down from 92.50 yen the day before.

Dailies on Suharto's 'Courage' in Bosnia Visit

BK1603133095 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 15 Mar 95

[From "press review"]

[FBIS Translated Text] BERITA BUANA says President Suharto has written a new chapter in history and received praises from inside and outside the country for his courage in visiting war-ravaged Bosnia. His visit has drawn the special attention of observers inside and outside the country. The daily also pointed to a rare occurrence where the streets of Jakarta and other big cities were deserted as people watched the Dunia dalam Berita program [main evening television news] to catch a glimpse of their president's visit to Sarajevo. After the program, members of the public also commented on their president's courage. A former military personnel even said the president, before his visit to Sarajevo, looked most composed and confident as he signed a statement.

PELITA says the president's visit also displayed Indonesia's major role in the Nonaligned Movement, the Organization of the Islamic Conference, the United Nations, and other international organizations as well as its contribution to world peace. The visit is also a constitutional obligation as stipulated in the preamble of our 1945 Constitution. Therefore, the president's visit reflects Indonesia's determination to contribute to the settlement of the conflict in the former Yugoslavia. We are confident that the historic visit will produce positive results. Based on our good ties with Yugoslavia, one of the founding members of the Nonaligned Movement, we believe that the warring groups will trust our good intentions in helping to solve the conflict peacefully.

Minister: No 'Special Status' for East Timor

BK1703053395 Jakarta Radio Republik Indonesia Network in Indonesian 0500 GMT 17 Mar 95

[FBIS Translated Text] East Timor Province will continue to be treated in the same way as other provinces in Indonesia. Home Affairs Minister Yogi Suardi Memet said in Jakarta yesterday that the government had rejected a proposal by some parties that a special status be accorded to East Timor, similar to one given to the Aceh Special Region and the Yogyakarta Special Region.

Police Arrest Members of Journalists Alliance

BK1603161595 Hong Kong AFP in English 1559 GMT 16 Mar 95

[FBIS Transcribed Text] Jakarta, March 16 (AFP)—Three members of the Alliance of Independent Journalists (AJI) were arrested by police here late Thursday at the conclusion of a social function hosted by the group.

The arrests of Liston Siregar, 32, Ahmad Taufik, 28, and Danang, 19, in the lobby of Jakarta's Wisata International Hotel came at the conclusion of a function celebrating the end of the holy month of Ramadan, an eyewitness said.

Small scuffles broke as the three were forcibly led to two unmarked vehicles that were waiting in the driveway of the hotel.

The vocal non-government MP, Sri Bintang Pamungkas, who is about to be removed from his seat by his Muslim-orientated United Development Party, and who spoke at the function, accompanied Siregar and Taufik in one of the two vehicles used to transport those arrested.

Both men are ex-journalists of the banned Tempo magazine and active members of AJI, while Danang, who works in the office of the fledgling organisation, is not a member.

An unidentified female university student also accompanied Danang, in the leading vehicle but she is believed not to have been under arrest.

More than 10 plain clothes police officers were thought to be responsible for the arrests, although the security officials refused to properly identify themselves.

Colleagues of those arrested told AFP they were not able to immediately determine where the three were taken.

AJI, a non-government organisation which exists without the compulsory government approval, had held the informal gathering, attended by up to 200 people including leading human rights activists, retired military officers, foreign and domestic journalists as well as students.

It is believed security officials were upset about the spontaneous gesture of the AJI members hosting the gathering to ask outspoken retired general Ali Sadikin, leader of the dissident Petition of 50 group, Pamungkas and often banned poet Willibrodus Surendra Broto Rendra to speak to the gathering.

All delivered off-the-cuff remarks which were humourous, but critical in tone of the government.

The arrests follow a raid one week ago against the Pijar Foundation, a university students group which publishes a magazine which is highly critical of the government, during which two activists were arrested. One has since been released.

A few weeks ago AJI, which itself publishes a critical unlicensed publication, issued a statement saying its members were on alert as a result of a tip-off that police were set to raid the offices of four underground magazines, including theirs and Pijar's.

AJI was formed last August as an alternative to the government- sponsored Indonesian Association of Journalists (PWI) and to promote freedom of the press in Indonesia in the wake of the banning of three leading publications—Detik, Editor and Tempo—by the government on June 21 last year.

* Change in Civil-Military Relations Urged

95SE0118A Jakarta KOMPAS in Indonesian 28 Jan 95 p 20

[FBIS Translated Text] Semarang (KOMPAS)—Along with changes in time and generation, the functional pattern of civilian-military relations needs to be overhauled. The old pattern of relations, based mostly on emergency conditions and marked more by power than law, must be replaced with a pattern of well-coordinated functional relations. In this way, more harmonious civil-military relations will be experienced, representing an effort toward solidarity in the framework of overcoming future challenges to the nation for the sake of improving the welfare of the people. The ABRI [Indonesian Armed Forces] Dual Function, encompassing both defense and security and sociopolitical affairs, should be focused on protecting sectors of life that are closely linked to the security of the Pancasila [ideology of the Indonesian republic] state.

Rudini, former KSAD [chief of Army Staff] and former minister of home affairs, and now general chairman of the LPSI (Indonesian Institute for Strategic Studies), expressed this Thursday afternoon, 26 January, when he appeared as a speaker on the topic of "Civil-Military Relations" in the Seminar and Dialogue for Communications Across Race, Religion, Class, and Gender, held on the campus of Diponegoro University in Semarang.

Rudini said that the emergency situation ended long ago, when national development successfully created normal life. Therefore, the pattern of relations among groups in society must be more oriented to functional relations.

"On the ABRI side, functional relations will of course be linked to ABRI's functions, namely defense and security and sociopolitical affairs (ABRI Dual Function)," Rudini added.

ABRI Dual Function

Rudini said that the criticism in Indonesia toward the ABRI Dual Function tends to be based mostly on civilian jealously of ABRI's expansion into sectors of life considered by the public to be outside ABRI's functions. In fact, the Dual Function is equated to functional positions. For that reason, the implementation of the Dual Function needs to be communicated to the public in order to create a mutual understanding. The important thing is positive input for the perfecting of the Dual Function concept itself.

Rudini said that potential for threats to the nation's unity and integrity will always exist, and, in fact, will become even greater. The era of technology and information produces not only globalization but, more negatively, an increasingly greater disparity. The elite, who are closer to technology and information, will obtain greater incomes, while the "little people" in villages far from technology and information will have little income.

The disparity will not be in the social sector alone but will spread to all aspects of life, the economy, and politics. As a result, many people worry that there will be more decadence in the form of corruption, collusion, and violations of ethics and law.

"Another concern is the renewed expression of 'primordial' and sectarian concepts by certain prominent figures. Such views were buried long ago because of their incompatibility with the concept of nationalism," Rudini added. The abandoning of principles of nationalism that transcend all groups (SARA [ethnic group, race, religion, and intercommunal relations]) will afford an opportunity for national disintegration. That dangerous concept must therefore be guarded against, he added.

Besides the burdens that arise from within, there are issues from the outside, such as openness, democracy, basic human rights, and the environment, which have produced conflicts of interpretation and perception among the people and are ultimately not useful to public harmony.

* Biographic Information on Chief Hartono

95SE0120A Jakarta KOMPAS in Indonesian 9 Feb 95 p 20

[FBIS Translated Text] The time when Hartono was commander of KODAM [Military Area Command] V/Brawijaya is still fresh in our memory. Around the end of 1992, he was assigned responsibility for the massive Second ABRI [Indonesian Armed Forces] Joint Exercise [LATGAB], with the title of director LATGAB ABRI II/1992.

Because this duty made him a center of press attention, the press was on hand wherever he went. Hartono, who was still a major general at the time, was always very ready to face the situation. "Come on. What else? What else do you ask?" he would say with a distinct East Java accent to reporters who approached him.

After becoming PANGDAM [military area commander] of Brawijaya, Hartono became known as an officer who liked to speak candidly and who had a strong populist attitude. Not just once or twice, he declared himself on the side of "little people," especially in displacement cases. It was not uncommon for him to have a position or viewpoint different from that of the East Java Regional Government, for example.

For that reason, local reporters frequently joked about the "star wars." People indeed often had the impression that there were "differences of opinion" between the PANGDAM and the governor (who at that time was Major General Soelarso) and even KAPOLDA [chief of Regional Police] Major General (Police) Koesparmono Irsan. This was simply because Hartono was often quite uninhibited when asked for his opinion, consistent with the Madurese culture that flows in his veins.

Because he gave the impression of being friendly and relaxed, but frank as well, reporters always tried to find subjects to chat with him about. The press seemed to enjoy its relationship with this general, who is a man of large stature.

The closeness of the press to Hartono continued to grow, because he was a senior officer who was not reluctant to receive telephone calls, even in the middle of the night.

Therefore, when Hartono appeared somewhat reserved after becoming KASSOSPOL [chief of Sociopolitical Affairs Staff], the press began to ask, "What has made him like this?"

In fact, when he was asked for comment on his recent nomination as KSAD [chief of Army Staff], Hartono also tried to avoid opening his mouth. The answer he gave to questions was something like, "Oh, that's the issue, is it?" However, he also said on one occasion, "Under present conditions, it is not useful for the KASSOSPOL to talk very much."

Is it possible that Hartono's reserve was the reason the three-star general was deemed successful in performing his duty? (Tomorrow, Friday, 10 February, he will be promoted to general.) Whether the answer is yes or no, it is now clear that this father of four children was appointed by President Suharto as chief of Army Staff, replacing General Wismoyo Arismunandar.

If we look carefully, the talk about his promotion is not very surprising. Much earlier, at least a year ago, people were already talking much about this matter.

Soon after Hartono became ABRI KASSOSPOL, replacing Lieutenant General Hariyoto P.S., people began to talk about the possibility of Hartono's becoming the top leader at MABESAD [Army Headquarters]. The issue would sometimes disappear and sometimes reemerge, but in the end it became reality.

Hartono appears to have exceptionally good fortune. After being transferred from KODAM V/Brawijaya, where he was PANGDAM, to ABRI SESKO [Staff and Command School] as ABRI SESKO commandant (16 April 1993 to 28 August 1993), he was entrusted with the post of governor of LEMHANNAS [National Defense

Institute] (28 August 1993 to 20 January 1994). After that, he was assigned as ABRI KASSOSPOL.

This native of Pamekasan, Madura, born on 10 June 1941, has again won the admiration of many people. The appointment of this general, who graduated from the National Military Academy (AMN) in 1962, as KSAD is not only an exception to customary practice but also represents the inscription of new history. (The replacement is usually an AMN graduate of an earlier year.)

Records show that those entrusted with the post of KSAD are usually from the sphere of MABESAD and generally are people who are still in command channels.

For example, before Abdul Haris Nasution became KSAD, he held the post of commander of the Java Command. The same was true of Ahmad Yani. Before being promoted to KSAD, A. Yani held the post of assistant for operations to the KSAD and was a member of the Joint Chiefs of Staff in the framework of seizing Irian.

The post of KSAD was then entrusted to Suharto (now president). His path was about the same, in that he was previously PANGKOSTRAD [commander of Army Strategic Command]. Likewise, Maraden Panggabean became KSAD after holding the post of WAPANGAD (deputy Army commander).

Others who held the post of KSAD included Surono Reksodimedjo, Makmun Murod, and Poniman, who also previously held posts as commander of defense territorial commands (PANGKOWILHAN), while Rudini was entrusted with the position of KSAD after occupying the post of PANGKOSTRAD.

Three others who served as KSAD and whom we still remember well were Try Sutrisno (now vice president), Edi Sudradjat (now minister of defense and security), and Wismoyo Arismunandar himself. These three held the post of KSAD after serving as deputy KSAD.

The effect of Hartono's case is like waking someone from sleep. At the least, the appointment of the cavalry general as KSAD gives a new signal to ABRI that the post of KSAD does not have to go only to people from the infantry corps.

In fact, a similar history was recorded by Try Sutrisno, who was from the engineer corps. It can be said, however, that people tend to assume that a general from the infantry has a better opportunity than others to hold the KSAD post.

Another matter that now needs to be noted by Army officers is that the post of KSAD is not to be held only by those moving in the MABESAD sphere, but also by those from ABRI MABES [Headquarters]. Moreover, the assignment can be given to people in the political leadership channel.

As was stated by the chief of the ABRI Information Center, Brigadier General Syarwan Hamid, the position of KSAD can be filled by anyone with the rank of lieutenant general, whether the deputy KSAD, KASUM ABRI [chief of ABRI General Staff], or KASSOSPOL ABRI. In fact, under certain conditions, there is the possibility that the post can be entrusted to a senior ABRI officer still holding the rank of major general.

With the ascension of Hartono to the pinnacle of leadership within the Army, it can be said that he is an officer equipped for opportunity in any field.

Serving in the sphere of KOSTRAD [Army Strategic Command] Green Berets until he received the rank of captain, he was then given the post of Cavalry Detachment commander in KODAM/Hasanuddin at Ujungpandang.

In 1975, Hartono had the opportunity to receive training at the Staff and Command School at the General Staff and Command [as published], Fort Leavenworth, Kansas, U.S.A.

After receiving training in the United States, this son of R. Oesman Prawiro Asmoro and Soekarni was promoted to commander of the Cirebon KODIM [Military District Command], followed by assignment as chief of staff at the Cirebon KOREM [Military Resort Command].

From Cirebon, Hartono, who was well known by NU [Muslim Scholars League] scholars (especially in East Java), received a new assignment at KODAM III/Siliwangi, namely as deputy assistant for territorial affairs.

This native of Madura, who is active in the ICMI (Indonesian Muslim Intellectuals Association) remained for quite a long time, about 15 years, in the sphere of KODAM III/Siliwangi.

After completing his duties in West Java, Hartono transferred to Sumatera, specifically to Bengkulu. There he was entrusted with the post of commander of the Garuda Mas KOREM. From Bengkulu, Hartono then returned to his alma mater, the AMN, as chief of the Technical Military Department.

On 25 February 1989, Hartono was assigned to KODAM V/Brawijaya as chief of staff for KODAM V/Brawijaya (until May 1990). On 17 May 1990, he was installed as commander of KODAM V/Brawijaya.

* PERTAMINA Balks at Low Gas Price

95SE0118B Jakarta BISNIS INDONESIA in Indonesian 13 Feb 95 p 5

[FBIS Translated Text] Jakarta (BISNIS)—PERTAMINA [National Oil and Natural Gas Company] has signaled its objection to complying with the request of the Department of Industry (DEPPERIN) that PERTAMINA sell gas to the petrochemical industry for less than $1 per MMBTU [million British thermal units].

BISNIS sources in the state-owned enterprise said PERTAMINA objects to complying with DEPPERIN's request to sell gas at a cheap price to upstream industry because just the production cost of the fuel is more than $1 per MMBTU.

"Moreover, gas sold by PERTAMINA is not entirely our own production. Some of the gas we sell is obtained from foreign contractors," the source said in Jakarta at the end of last week.

He said this in reply to a question about the request made by DEPPERIN to the Department of Mining and Energy (DEPTAMBEN) that sales of gas to the petrochemical industry be kept to less than $1 per MMBTU.

Sujata, DEPPERIN director general for the chemical industry, had said earlier that development of the chemical industry requires special policies, primarily for liquefied natural gas (LNG).

"Therefore, the price of natural gas as 'feedstock' should be lower than that of gas as fuel. The price of gas as feedstock should be less than $1 per MMBTU," he had declared.

According to Sujata, the request for a special gas price will be discussed in a meeting with DEPTAMBEN officials on 15 February.

The previously mentioned BISNIS source, who is responsible for gas, said that DEPPERIN may of course recommend sale of gas at a cheap price. "If viewed from the aspect of selling gas at market price, however, it is not possible to do such a thing."

He said that even for electric power plants—whose supplies are needed by the public—PERTAMINA is selling gas at a price of $2 per MMBTU. Exports are made at prices of $2.5 to $3 per MMBTU.

Gas is offered to the fertilizer and steel (Krakatau Steel) industries at the lowest prices of $1 and $0.65 per MMBTU, respectively.

"Low gas prices for these two industries represent agreements made in longstanding sales contracts. The old prices will not apply to new contracts," he said.

Sujata said that petrochemical producers such as PT [Limited Company] Chandra Asri Petrochemical Center (CACP) will find it difficult to compete with the olefin centers of other countries if it obtains feedstock at export prices.

It was reported earlier that PT CAPC will be buying gas at export prices.

The director general for the chemical industry said Singapore olefin centers buy LNG at international prices because that country does not have natural gas stocks.

According to a PERTAMINA source, production-sharing contractors may not care if the gas price requested by DEPPERIN is granted.

"As far as PERTAMINA is concerned, the decision on the special gas price request will be left up to the government."

Laos

Visit of PRC Party Delegation Continues

Group Meets With LPRP Official

BK1703122895 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 15 Mar 95

[FBIS Translated Text] Maichantan Sengmani, Political Bureau member and chairman of the Control Committee of the Lao People's Revolutionary Party [LPRP] Central Committee, received at the Office of the Control Committee of the Party Central Committee in Vientiane yesterday afternoon a courtesy call from a delegation of the Discipline Inspection Committee of the CPC Central Committee led by Chen Zoulin, deputy secretary and member of the Discipline Inspection Committee of the CPC. The meeting and talk between the guest and the host proceeded in a warm atmosphere of mutual understanding.

On this occasion, Maichantan Sengmani hailed and highly assessed the visit to Laos by the CPC Discipline Inspection Committee delegation. He said: This visit will significantly contribute to further strengthening, promoting, and expanding ever more fruitfully the longstanding traditional relations of friendship and cooperation between the two countries in general and between the two committees in particular. Maichantan Sengmani also wished Chen Zoulin and his delegation success in their visit to Laos.

Chen Zoulin informed Maichantan Sengmani of the outcome of his delegation's meeting to exchange experiences with a delegation of the Control Committee of the LPRP Central Committee. He also briefed Maichantan Sengmani on the results of the working meetings his delegation held with party secretaries and party control committees of certain provinces. In conclusion, Chen Zoulin thanked the chairman of the Central Control Committee of the LPRP Central Committee for the warm welcome accorded him and his delegation.

Delegation Concludes Visit

BK1703123495 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 16 Mar 95

[FBIS Translated Text] A delegation from the Discipline Inspection Committee of the CPC Central Committee led by Chen Zoulin, deputy secretary and member of the Discipline Inspection Committee of the CPC, left Vientiane for home at noon yesterday, 15 March, ending a seven-day visit to Laos.

During the visit, the delegation paid courtesy calls on our high-level Lao leaders, held a meeting to exchange experiences with a delegation of the Control Committee of the Lao People's Revolutionary Party Central Committee, and held working meetings with party secretaries and party control committees of certain provinces. The delegation also visited economic and cultural establishments in Vientiane Municipality, Vientiane Province, and Savannakhet Province.

This visit to Laos by the delegation of the CPC Discipline Inspection Committee is mainly aimed at exchanging experiences on the implementation of the party and state control work. The visit has also contributed to further strengthening and enhancing the long-standing traditional relations of friendship and cooperation between the two countries as well as the two parties.

Vice Premier's Trip to SRV Conference Reported

Departs 13 Mar

BK1503033795 Vientiane KPL in English 0914 GMT 14 Mar 95

[FBIS Transcribed Text] Vientiane, March 13 (KPL)—A Lao delegation led by Khamphoui Keoboualapha, vice premier and president of the Committee for Planning and Cooperation, left for Vietnam yesterday to attend the Lao-Vietnamese Cooperation Commission conference.

The conference will review the implementation of past cooperative efforts between the two countries and will discuss future cooperation in fields of economics and culture in order to reach an agreement for 1995.

Khamphoui Keoboualapha who is also the president of the Lao-Vietnamese Cooperation Commission and his delegation is scheduled to visit Haiphong Province where agricultural and industrial products are produced for export.

Returns 15 Mar

BK1703123995 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 16 Mar 95

[FBIS Translated Text] The Lao People's Democratic Republic [LPDR] Government delegation headed by Khamphoui Keoboualapha, Political Bureau member of the Lao People's Revolutionary Party Central Committee, deputy prime minister, chairman of the Committee for Planning and Cooperation, and chairman of the Laos-Vietnam Cooperation Committee, returned to Vientiane yesterday afternoon after successfully attending the 17th conference of the cooperation committees of Laos and Vietnam held in Hanoi in mid-March.

During the meeting, the two sides consulted with each other and discussed and reviewed the situation of mutual cooperation in recent years, especially 1994. They assessed that cooperation between Laos and Vietnam has been carried out successfully in various fields; for example, in the training of cadres; exchanges of experts; and realization of mutual assistance in agriculture, industry, communications, transport, and other spheres. The Lao and Vietnamese delegations also signed an agreement on cooperation for 1995, particularly in the training of cadres, agricultural and industrial development, and communications and transportation work. The two sides placed top priority in their mutual cooperation on developing Highway No. 8, Highway No. 9, and Highway No. 18-B—together with cooperation from many international organizations—into the primary (?major) communications routes between the two countries.

Besides attending the meeting, the LPDR delegation also visited a number of economic and cultural establishments in the SRV, including the port of Haiphong.

Welcoming the delegation home at Wattai Airport were Phao Bounnaphon, minister of communications, transport, posts, and construction; and a number of high-ranking cadres of the Committee for Planning and Cooperation and other services concerned.

Government To Buy Out Thai-Owned TV Station

BK1603070395 Melbourne Radio Australia in English 0500 GMT 14 Mar 95

[FBIS Transcribed Text] Laos has moved to retake control of its television station set up in the Laotian capital, Vientiane, last year by former Thai foreign minister, Thaksin Chinnawat. Christopher Kramer reports in Hanoi the name of the station has been changed and Thai staff have been withdrawn after a current disagreement over the functioning of the media joint venture.

[Begin Kramer recording] The Government of Laos has renamed Mr. Chinnawat's Vientiane-based channel, IBC-3 to Laos Television 3, but more significantly, all but one of more than a dozen Thai nationals working at the station have returned home. No official reason has been given for the changes, but informed sources say IBC's programming was deemed unsuitable for Laos and that there were disagreements over the company's operation. There was also unease in Vientiane about the alleged involvement of Mr. Chinnawat's company in last year's Cambodian coup attempt—allegations he denied.

The government will need to buy out the Thai company's 70 percent share if it is to take over the station. [recording]

Somsavat Chairs Conference on Foreign Affairs

BK1703093495 Vientiane VIENTIANE TIMES in English 10-16 Mar 95 pp 1, 2

[FBIS Transcribed Text] The seventh conference of foreign affairs chaired by the Minister of Foreign Affairs, Somsavat Lengsavat, was held in Vientiane recently.

On the opening day of the conference, President of the Lao People's Revolutionary Party Central Committee [LPRP CC] and Prime Minister, Khamtai Siphandon, noted the close ties between the country's foreign affairs, and its success in renovation, national construction and development.

The LPRP CC President also praised officials for their efforts in implementing the Party's foreign policy, contributing to a strong, positive image of the country and enhancement of the country's role in the international arena. He commended their successful efforts in attracting foreign cooperation and investment to Laos.

Khamtai Siphandon further stressed the need for officials to understand and interpret the Party's foreign policy of peace, independence, friendship and cooperation. Laos has been increasingly opening up to nations of the world regardless of differing political and social regimes. In this process, he noted, relationships must continue to be based on respect for the independence and sovereignty of the nations involved, in order to preserve equality and for their mutual benefit.

The participants discussed international and regional matters that have occurred since the previous conference and through this reviewed lessons for implementing Party-State foreign policy. In addition, the conference proposed future directions to be followed in foreign affairs with the goal of achieving the two strategic tasks—national defence and construction—as well as the cause of renovation.

The conference was attended by senior officials of the Ministry of Foreign Affairs, chief representatives of the diplomatic missions of the Lao PDR [People's Democratic Republic] abroad and high-ranking officials of the relevant agencies from both central and local levels.

Between February 9-19, Lao diplomats who are assigned abroad and were recalled for the conference, went on a study tour to northern Laos where they visited Luang Namtha, Oudomsai, Sayaboury, Luang Prabang, and the zone of Siang Hon-Hongsa. Their visit enabled them to observe development strategies in the northern provinces.

Assembly Endorses Appointment of New Ministers

BK1703090395 Vientiane VIENTIANE TIMES in English 10-16 Mar 95 p 1

[FBIS Transcribed Text] The sixth ordinary session of the National Assembly (third legislature) ended on March 8 with a resolution unanimously endorsing two draft laws: the Law on the Government of the Lao PDR [People's Democratic Republic] and the Law on the Military Service Liability. The Assembly also approved a reshuffle of ministers.

The National Assembly's sixth session, attended by 81 out of its total 85 members, began its work on February 28 to consider and pass the two laws, approve the change of ministers, and review activities of National Assembly members in their respective constituencies.

National Assembly members raised their sense of political responsibility in considering and expressing their opinions of the draft laws, which led to a high degree of unanimity on endorsing them, on the basis of firmly upholding the Constitution and the aspirations of the people of all ethnic groups

The government ministers who were reshuffled at the recommendation of the President of the Lao PDR were the Minister to Prime Minister's Office Mr Phao Bounnaphon, who will become the Minister of Communications, Transport, Post and Construction; the Minister of Finance, Mr Khamsai Souphanouvong, to become the minister to Prime Minister's Office; the governor of Savannakhet, Mr Saisomphon Phomvihan, who moves to the position of Minister of Finance; and the Minister of Communications, Transport, Post and Construction, Mr Bouathong Vonglokham, will assume a new post at the Committee for Planning and Cooperation.

Philippines

U.S. Expert Says Spratlys Not Oil Rich

BK1603070795 Manila PHILIPPINE DAILY INQUIRER in English 13 Mar 95 p B10

[Article by E.F. Durkee, president of Cophil Exploration Corp.: "Spratly Islands Not So Oil Rich After All"]

[FBIS Transcribed Text] For the past five years or longer, I have seen in the press (Asia Wall Street Journal, Asiaweek, FEER [Far Eastern Economic Review], other overseas publications, and numerous local Asia papers) as well as TV segments or comments which invariably commence with or use the term "Oil Rich Spratly Islands."

This, in my view, is largely rubbish. It is a term that media and politicians love but for which there is absolutely not one shred of evidence to support. This is especially true for the Spratly's sensu strictu [preceding two words in italics]. The whole concept is perhaps nothing more than a tempest in a teacup. It is hardly an area overall, worthy of risking a war for, if oil and gas is the objective.

Some portions of the overall area "claimed" by China on some maps have oil and gas resource potential. This is a small area percentage-wise of the total area and commercial production has never been established. Other than a small amount of gas and a few barrels of condensate produce at Sampaguita 1 and 3A in 1976 in the Philippine territory, there have been no reported hydrocarbons ever produced from the entire region, and certainly not from the Spratlys.

In the paper presented by the Russians at a recent Manila conference, several of my technical associates that attended said that paper had little to say, other than disappointment. Disappointment that nothing new was used to arrive at any conclusion. In fact the old Reed Bank wells appear to be the key data point.

Reed Bank and the Kalayaan Island Group afford some potential. These are clearly, since 1972, within the Philippines' economic exclusive zone. Although current explorers operating on Philippine Department of Energy permits on the Reed Bank are optimistic, they are a long way from ever establishing an "oil rich" area.

Reed Bank data

The Reed Bank and environ has many kilometers of interesting seismic data. More is being obtained. But there is a simply no way one can look at seismic data and proclaim an area "oil rich." Further, studies published (the Federal German Sonne Cruises in 1983 and 1985) are the only efforts I am aware of to recover solid rock samples from the edges of the numerous sea mounts, banks and platforms and submarine cliffs. Many of the samples recovered by dredging include basalt, andesites, schists, and indurated sediments. Some of the latter are Triassic in age. All of this indicates a complicated geologic picture even in and around the Reed Bank area. This might be good, this might be bad. Much exploration is needed though to make it a significant petroleum province. As an optimistic explorer, I hope for the Philippines' sake that current exploration is successful. Cold exploration drilling statistics though, demonstrate the odds are probably against success (one chance out of 70).

A second, obviously potential area is the Wan An Bei region, which China claims and which was awarded to Crestone Energy Corp. I was a party to the negotiations in Beijing in 1992, as technical advisor to Crestone. I believe the area has great exploration potential. But, no matter how optimistic I am though, this does not yet make it an oil-rich area and that term should certainly not be applied to the region between Wan An Bei and Reed Bank.

Wan An Bei has thick sedimentary rock section and very large anticlinal and fault closures (potential hydrocarbon traps) are indicated. These features are analogous to oil and gas bearing structures off Vietnam immediately to the west. Still, until drilled and proven productive it is not an oil-rich area.

Constraint

A further geological constraint, mitigating against major oil/gas resource potential in much of the area, especially to the northeast based on limited seismic data and well control, is the existence of very thick carbonate banks (6,000-10,000 feet). Reef that existed in the area in late Miocene time (30 million years ago) continued to grow upwards as the overall area subsided. The surface reefs and atolls that we see today are the last stage in the development of these carbonate banks.

These carbonate banks in general do not form good cap rock materials to trap hydrocarbons that might have been generated in earlier rocks (Cretaceous to Lower Miocene).

The carbonate banks provide an obstacle to the acquisition of good geophysical (seismic) data from the older "target horizons" wherever such banks occur. They further provide a thick nonproductive sequence of rock that must be drilled to see the older rocks. This will affect the cost of operations. Oil might be found at shallower depths in the Wan An Bei sector but elsewhere, the Russian assessment that three to four kilometers of sediments are where oil might occur is likely correct or a minimum at best.

More work

Until considerable seismic work and drilling is done, the area can not be demonstrated as oil rich and I believe the press, media and international departments and officers are in error to consider the area as such and to speak of the area as such, unless they know something the oil and gas industry does not.

With respect to the possible hydrocarbon resources, the number which (some publications) cite as "left-overs" is perhaps a very optimistic resource potential to assign even to the Wan An Bei and Reed Bank regions combined.

The South China Sea in its south central region including the Spratly Islands is simply not another North Sea geologically. Its greatest resources are likely Manganese nodules or other minerals in deep water areas, tourism (reef fields), and fishing.

I am a professional exploration geologist (42 years experience, much of it in Asia—Philippines, Indonesia, and Malaysia) as well as extensive work in many other parts of the world. In all due respect to the Russians, I trust my background and experience provide the background to state that the Russian estimate is optimistic; does not necessarily conform to the very limited hard data that exist with respect to resource estimates; and to further state my opposition to most press statements about the area. The "Spratlys" is not an oil rich area and certainly no bounty as yet.

Lastly, someone's arithmetic must be in error? If the total resource is one billion tons, that is roughly equivalent to six to seven billion barrels of oil (depending on the specific gravity of the oil). Working with six billion of which 70 percent is gaseous equivalent, we are left with 6.0-4.2 or 1.8 billion barrels and not 10 billion barrels.

Official Views Maid's Execution, Reactions

BK1703064895 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0238 GMT 17 Mar 95

[Telephone interview with acting Press Secretary Honesto Isleta by studio announcer Armand in Quezon City—live; passages in italics in English]

[FBIS Translated Excerpt] [Armand] While the children of the executed Flor Contemplacion are listening, it would probably be good at this point to speak with

Secretary Isleta so that we can bring to his attention the sentiments of the relatives of Flor Contemplacion. Acting Press Secretary Isleta is on our line. Press Secretary Honesto Isleta, good morning, sir. [passage omitted]

Just a while ago we talked to the children and relatives of Flor Contemplacion, and they are saying that they are very resentful because they felt that their mother, who was executed, was not attended to properly by the Philippine Government. What is your reaction as a secretary? [passage omitted]

[Isleta] Thank you for giving us this opportunity, because as I was saying, before we condemn, there are many circumstances that we do not know, or what was done by those we condemned that we do not know. That is why I am saying that our president, when he arrives, will give a directive to make an inquiry, and if there is evidence of negligence, we will conduct *an official investigation and formal investigation.* Now, if we can find any mistake or negligence, we will conduct an official and formal investigation. Now if we find any of these things, then we will punish, *but in the meantime, let us try to be..., not to take this emotionally, I am sure,* I know the sentiments of the family. I am saddened personally, as this morning after I was roused at home by the announcers, I said that *up to the last minute, I still believe that a miracle can happen.*

[Armand] Secretary Isleta, this is a very good opportunity, because Arnold Clavio is at the Singapore Embassy, and there are people shouting who I want you to hear, you may have a response you wish to make. Go ahead, Arnold Clavio, please come in.

[Clavio] Thank you, Armand, and good morning, Secretary Isleta. [words indistinct] here is a joint press statement titled, 'Ramos's hands are dripping with Flor's blood.'

Let me read some important parts of the joint press statement. First, of course, is the condemnation of the government of Ong Teng Cheong, president of Singapore, for its brutality, heartlessness, and indifference toward extending any assistance to Flor Contemplacion. But before condemning Singapore, they also mentioned that the Ramos regime, *in the final analysis, was responsible for Flor's death.* They also condemned *Ramos regime's policy of exporting Filipino labor to be used and abused by foreign employers. We also express our anger at the inutile Ramos regime*—these are harsh statements—*Flor's death is a result of the Ramos regime's adherence to the global capitalist order which turns the Philippines and other Third World countries into suppliers of cheap labor. Flor's death will have been meaningless if it elicits nothing but sympathy.* It is mentioned that they will launch a *campaign to expose and oppose Ramos regime's pro-imperialist character and pro- imperialist plans. Only by bringing the Filipino people from the [word indistinct] of oppression can Flor's death be vindicated.*

This joint press statement was released by Migrante, Karapatan, Bayan [New Nationalist Patriotic Alliance], GABRIELA [General Assembly Binding Women for Reform, Integrity, Equality, Leadership and Action], KMU [May First Movement], KMP [Farmers' Movement in the Philippines], and others are signatories to the joint press statement, Mr. Secretary. We continue monitoring the events here. [passage omitted]

[Armand] Secretary Isleta, what is your response?

[Isleta] The first thing I am going to say is: Let's not be emotional about this. I know the sentiments of the family. I was saddened personally when I heard that Flor was executed. Let's not resort to emotions here; if we listen to the statements of some groups there, *who are just out to really discredit* our nation, our people, and our government. [sentence as heard] If you listen to their statements, the statements are intended to agitate. *Let us look at it in a very objective manner. I am sure that there are a lot of circumstances* of which we are not aware as to why this thing happened. If we can find any negligence in our embassy, we will investigate. If someone made a mistake, if there is negligence, then we will punish them, *but let us not be carried by emotions and judge people immediately,* because the Bible says, *do not judge lest you be judged.*

We gave, okay, they gave, Flor their judicial system of due process. That is their due process; we were not allowed to present new evidence. Well, that is what happened. *Now, let us differentiate the legal and judicial aspects against the humanitarian aspects. As far as the judicial aspect is concerned,* it is closed; she is really guilty, but what we asked for involved the humanitarian angle. They did not listen to the humanitarian aspect, however, so what can we do? So, what the president said in his statement last night, *is: let us not let this instance hamper our efforts to make this country be a better country.* Not like what we are doing, what we are saying, it is divisive. *Instead of trying to find out,* who made a mistake, what is the mistake, let us study this so that perhaps, out of this investigation, we can come up with policies, SOP's [standard operating procedures] like, *are we going to send a justice attache* to practice in countries like these, then *they have to be licenced there,* then so if there are problems encountered by any Filipino, he will provide the defense, because you just cannot send any lawyer there to defend someone. He must be licensed.

[Armand] Mr. Secretary, did you say that the government will investigate the embassy in Singapore?

[Isleta] *Well, I am sure that there is going to be an inquiry.* What really happened? What is it they are talking about when they say there is negligence in our embassy? *We have to find out* because, if I were the head of a department like OWWA [Overseas Workers' Welfare Administration] or POEA [Philippine Overseas Emplyment Administration], *I will initiate already the enquiry to clear my agency of all these accusations.*

[Armand] Were you given any information about what the embassy during the three to four years she was imprisoned?

[Isleta] Well, during that three to four years, include the *trial in the lower court, the trial at the appeal, the hearing at the Supreme Court, which took them three years, three or four years. In the meantime, I know that when I was in Singapore*, our consul there was talking with Flor. Now, they are saying that the consul said that, okay, you admit that you are the one who committed the murder. Who said that, it was the lawyer, so they can make an insanity plea. [sentence as heard] What did Flor or the consul know about it? They must have been coached. If that is the defense recommendation of the lawyer, since you have the lawyer, you should listen to him. So it is not entirely the fault... [changes thought] so let us wait for circumstances that we do not know about. Okay? So for the meantime, the president said that *he is going to do everything, the government is going to do everything to see to it that the welfare of the children and even Flor*, maybe, the return of her remains will be hastened, *will be attended to.*

[Armand] When will the president arrive?

[Isleta] This evening at 2100 in Cebu, which is why I will be going there because he wants to talk to me when he arrives. There, I think, he will make a statement, and this can be broadcast live. We are asking the PLDT [Philippine Long Distance Telephone Co.] to make arrangements to relay his statement live all over the country.

[Armand] Okay, for the relatives listening there in San Pablo, Batangas, Secretary Isleta is here, please give any message in behalf of our government, Press Secretary Isleta.

[Isleta] For the relatives of Flor, there in San Pablo, President Ramos made a statement last night that he is sad about the decision and *feels very sorry about all these things in spite of all* what he can and authority that he has done, but he cannot pass by Singapore because *that is already breaking protocol.* [sentence as heard] Number two, let us not use the death of Flor as an obstacle to our unity, in our efforts to push our country toward prosperity. Third, he said his government will do everything to help Flor's children and so that the return of her remains will be hastened.

[Armand] Thank you very much, Secretary Isleta.

Motorists Lead Protest Against Execution

BK1703040595 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0141 GMT 17 Mar 95

[Report by studio announcer Armand and correspondents Arnold Clavio and Lita in Manila and Jessica Soho in Singapore—live]

[FBIS Translated Excerpt] [Armand] Arnold Clavio, outside the studio.

[Clavio] We have already started leading the noise barrage here because up to now there is no reaction from Singapore Embassy [words indistinct] all vehicles passing by the street, are here now, honking their horns to show protest against the execution of Flor Contemplacion. [sound of vehicle horns]

And all that can be dragged like iron, but it seems to be deaf, seems to be deaf, this Singapore Embassy. Almost everyone who passes by joins in the barrage here at the embassy, since we reported the confirmation by ASSOCIATED PRESS [AP] of the prison statement that Flor Contemplacion was indeed executed.

We are still waiting for the official statement from Jessica Soho, Armand. There will be a motorcade with horns continuing up to the Mendiola [bridge near Malacanang]. The honking will continue, there will be a motorcade going to Mendiola. Here in front, gradually, announcements are being made, at the beginning of the noise barrage, to stir the Singapore Embassy. Now, we do not see a spokesman who could clarify the condition of Flor Contemplacion. If you will see, there, you can hear, [sound of vehicle horns] this is not due to traffic, this is due to anger and hatred in regard to the lack of reaction to Flor Contemplacion.

[Station identification announcement]

[Armand] Some more reaction. (?Lita), come in.

[?Lita] [Words indistinct] here at the Singapore Embassy, and they call the Singapore Government a 'hangman.' Passing vehicles continue to blow their horns. They are really very angry, and repeat that it is a 'hangman.' Our fellow citizens continue their display of anger, and some of them are crying condolences to the Contemplacion family. They are very angry with what happened to Flor Contemplacion. [sound of vehicle horns]

[Armand] Okay, just a minute, minute, Jessica, Jessica, please come in.

[Soho] Good morning, brother Armand. We are still in front of Changi Prison. Just a while ago I caught a glimpse of a hearse preparing to come out, but we do not know where it went because Changi Prison has three gates. I am trying to get a look, but at about 0900 the hearse came in and it will come out at anytime. It is taking a gate other than the one where we are. That is the latest from Changi Prison and probably we can relate, brother Armand, the AP report, quoting the prison official that Flor has already been executed.

[Armand] From the Manila Bureau we received reports that the spokesman is Yen Fui San, who said: This morning Flor Contemplacion was executed [six preceding words in English] and said that the complete details of the execution will be announced at 1000. [passage omitted]

Thailand

Ranger Reportedly Shot Dead by 'Foreign Troops'

BK1603151095 Bangkok BANGKOK POST in English 16 Mar 95 p 7

[FBIS Transcribed Text] Mae Hong Son—An unknown number of foreign troops shot and killed a Thai paramilitary ranger and seriously wounded one other late Tuesday night, according to an official report.

The report said the unidentified troops crossed the Salween River from Ban Tinmorta into Thailand and whistled to the rangers on duty at Ban Mae Samrap in Mae Sariang District to indicate they wanted to talk.

The foreign troops then opened fire as the rangers left their bunker to see what was going on, killing Saeng Chaiya, 37, on the spot and wounding Uthai Rokphrai, 38, in the left arm and shoulder.

The report said Ban Tinmorta is now deserted following heavy fighting between Rangoon troops and Karen National Union forces last month.

A Thai official said he suspected the foreign troops might be unhappy with the Thai policy of moving Burmese refugees away from the border after Karen forces loyal to Rangoon asked Thai officials on several occasions to repatriate the Karens to Burma. Thailand has rejected the approaches on security and safety grounds.

The Karen forces might also be angry with certain non-government organisations for refusing to grant them aid.

The report said Thai people living along the border had been warned to be on the alert as similar incidents could occur at any time.

Security Forces Fire on Refugee Camp Intruders

BK1603141695 Bangkok THE NATION in English 16 Mar 95 p A2

[FBIS Transcribed Text] Thai security forces opened fire and killed one of a group of 30 armed Karen forces yesterday morning as they illegally entered a Karen refugee camp in Tak's Tha Song Yang district, border sources in Mae Sot said.

One Karen refugee was also killed and three others seriously wounded in the clash.

The Thai border sources said the incident took place at 5.30 am when the intruders, who crossed the Moei River into Ban Huai Manok in an attempt to kidnap the Karen chief of the camp, clashed with a unit of about 20 Thai security forces from the 344th Company of border patrol police and a number of paratroopers.

The commanders of Task Force 34 in Mae Sot has stationed combined forces units at various Karen refugee camps along the Thai-Burmese border in Tak and Mae Hong Son provinces to protect the tens of thousands of refugees.

Officials Comment on Burmese Border Situation

BK1603144895 Bangkok Radio Thailand Network in Thai 1200 GMT 16 Mar 95

[FBIS Translated Text] Prime Minister Chuan Likphai presided over a meeting of the National Security Council [NSC] today. Speaking to reporters after the meeting, NSC Secretary General Charan Kunlawanit said:

[Begin Charan recording] We discussed the situation along the Thai-Burmese border in the period beginning last December and the fighting between the Burmese Government troops and Karen minority group. The meeting agreed that the policy of not allowing minority groups to use Thai territory for subversive activities inside Burma is still workable. We support the idea of settling the conflict through peaceful negotiations. Government agencies will be instructed to take care of Thai people living along the border and take care of the refugees who flee from the fighting in Burma into Thailand. After their country is safe, they will be sent back on a voluntary basis. [end recording]

Commenting on the intrusion into Thai territory by Burmese Government troops in pursuit of their Karen adversaries, Deputy Foreign Minister Surin Phitsuwan said:

[Begin recording] [Surin] We have informed them about the incidents. They have promised that such incidents will not happen again. We lodged several protests over this encroachment on our territory. I believe that national reconciliation is the best permanent solution to their problem. We disagree with the use of force and violence. It is their internal affair, however.

[Unidentified correspondent] Do you think that, as a neighboring country, we should help them reach a compromise?

[Surin] We have made it clear, especially the prime minister, that we are ready to help them if they want to talk to each other. [end recording]

Some 8,000 Karen Refugees Flee Holding Center

BK1703140395 Bangkok THE NATION in English 17 Mar 95 p A2

[FBIS Transcribed Text] About 8,000 Karen refugees, fearing another attack by renegade Buddhist Karen guerillas yesterday abandoned their holding centre in Ban Huai Manok to move to safer areas in Tak Province, border authority sources said yesterday.

The mass exodus almost emptied the camp, which was under the protection of a combined force of around 80 Thai paramilitary troops and border police.

The group moved en-masse to other holding centres along the border in Ban Mae Salit, Ban Mae Tan and Ban Mae Song in Thasong Yang district.

The Karen refugees consist of around 5,000 people who fled across the border in January after the Karen National Union's [KNU] headquarters at Manerplaw fell to Rangoon military forces, and a further 3,000 refugees who were already resident at the camp before the Burmese government offensive.

The mass movement of the Karens came only one day after a group of around 30 armed soldiers from the Karen Buddhist Organization (KBO), a KNU splinter group, crossed the Moei river on Tuesday night and attempted to abduct the Karen chief of the camp.

The KBO assisted the Rangoon troops overrun KNU camps last month.

The guerillas were surprised by Thai border troops though and a subsequent battle left one KBO soldier dead and three seriously injured.

According to KNU officials, the KBO intruders issued a threat that they will return to the camp again on March 18.

The sources said later reports confirmed that four more KBO fighters' bodies were found near Ban Manok after they abducted one KNU leader.

Dissident Students on Killing of Oil Workers

BK1603141495 Bangkok THE NATION in English 16 Mar 95 p A2

[FBIS Transcribed Text] Karen guerrilla forces killed five technicians, including a Frenchman, last week when the team was surveying the pipeline route that will transport natural gas from Burma's Gulf of Martaban to Thailand, dissident Burmese students said yesterday.

They cited sources inside Burma and in Bangkok as saying that two technicians were killed when forces of the Karen National Union's [KNU] 10th Battalion opened fire on three Burmese military helicopters carrying the pipeline project team to Kanbauk township in Burma's southern Tenasserim division.

Three others were wounded and airlifted back to Rangoon but pronounced dead on arrival at Mingaladon Airport, where a representative of the French oil firm Total was present. They were flown into the military, not the regular civilian, sector of the airport.

"At the airport Mr Herbico of Total Co came and received the bodies," said the statement released by the All Burma Students Democratic Front (ABSDF).

It said the one-hour attack took place on March 7 about 10 am as the helicopters, carrying French and Burmese technicians and a Burmese military strategist of Southern Regional Command, were descending to the ground.

Asked to comment, a KNU official said the KNU was still checking the report.

An ABSDF member said in an interview yesterday that his group released the statement without prior consultation with the KNU, but that the student group gathered and received the information from its forces, who were active in the same rugged terrain with the KNU's 4th Brigade.

The student group said the Burmese junta, the State Law and Order Restoration Council (Slorc), and Total deliberately blacked out the information, "as they seriously worry about it affecting the investment".

The ABSDF cited their sources inside Burma as saying that there was little damage to the helicopters but five people died, two on the spot, and 11 were injured.

The bodies were not sent to the nearest Tavoy general hospital. Instead doctors from there were called to attend to the casualties. Emergency medicines, including bandages and cotton wool and bags for the bodies, were ordered from Rangoon.

Krasae on Sea Boundaries Talks With SRV

BK1603140095 Bangkok Voice of Free Asia in Thai 1030 GMT 15 Mar 95

[FBIS Translated Text] Foreign Minister Doctor Krasae Chanawong yesterday granted an interview to newsmen after meeting with Vietnamese Foreign Minister Nguyen Manh Cam who stopped over in Thailand on his way to visit African countries.

Dr. Krasae said he and the Vietnamese foreign minister discussed about the 10-11 March Phuket meeting of the Thai-Vietnamese joint committee on fishery and sea order, overlapping sea boundaries, the AFTA [ASEAN Free Trade Area] conditions relating to Vietnam's membership, and preparations for Vietnamese President Le Duc Anh's forthcoming visit to Thailand.

He said both sides are satisfied with the outcome of the first meeting of the Thai-Vietnamese joint committee on fishery and sea order held early this month in Phuket. The meeting was chaired by the deputy foreign ministers of both countries. The Thai foreign minister told Vietnam that Thailand would like to see an early completion to the talks on overlapping sea boundaries, if possible, prior to Vietnam becoming ASEAN member in July. Three sessions of talks on overlapping waters have been held, with the third held at the Treaty and Legal Affairs Department, the Foreign Ministry, on 10-13 January. There has been huge progress made with both sides proposing fair solutions to the problem. The fourth meeting is expected to be held in Hanoi in two months.

The Thai foreign minister sympathized with Vietnam over the limitations of the AFTA rulings on its membership in ASEAN as Vietnam is a newly-opened country.

He assured Thailand would support Vietnam on exemptions from AFTA restrictions during the first three years of membership.

On Vietnamese President Le Duc Anh's visit to Thailand, he said the date of the visit is being worked out. If possible, his visit to Thailand as well as an audience with the king should take place before Vietnam becomes an ASEAN member.

The Vietnamese foreign minister invited his Thai counterpart to pay an official visit to Vietnam.

Accord Signed on Electricity Purchase From Laos

BK1703135695 Bangkok BANGKOK POST in English 17 Mar 95 p 1

[FBIS Transcribed Text] Thailand yesterday signed a basic agreement for long-term purchase of electricity from the Nam Theun II hydro power project in Laos following a last-minute dispute over the legal terms of the accord.

The unexpected demand by Laotian Prime Minister's Office Minister Khammon Phonkeo that a clause be changed caused the "heads of the agreement" meeting to end four hours later than planned, at about 7 p.m.

The conclusion of the agreement came after hours of last-minute negotiations during which Mr. Khammon finally agreed to drop his demand that the laws governing the power sale accord be those of Laos rather than those of Thailand as stipulated in the draft accord reached on Tuesday in Bangkok by the Nam Theun II international consortium (which includes the Laotian government).

But the Thai signatory—the Electricity Generating Authority of Thailand (EGAT)—last night agreed to comply with the Laotian demand for a change of wording in the legal term from "the Laotian government" to "the Laotian government as a shareholder in the Nam Theun II project"

Frustrated Thai officials yesterday said they were puzzled as to why the Laotian minister had made such a fuss out of the matter, which is a departure from the document all parties concerned, including the Laotian government, previously initialled.

Dr. Sawit [Sawit Phothiwihok, minister of Prime Minister's Office] said the problems might stem from the translation of the document from English to Laotian, which might have raised some legal doubts in the minds of the Laotians over the claims and compensation.

Thai officials reiterated that Vientiane has a 25 per cent stake in the Nam Theun II developing consortium, and EGAT agreed right from the beginning of the Nam Theun II power sale agreement, worth 6 billion baht a year, that its essence is the basic accord involving EGAT's purchase from Theun Hin Boun hydro project in Laos, in which the Laotian government has a sizeable stake.

The Theun Hin Boun accord, concluded last year, stipulates that Thai laws are to govern the deal.

Other members of the Nam Theun II consortium including Electricite de France (EDF), a Thai investors group and Transfield of Australia, have not suggested any change in the legal terms as demanded at the last minute by the Laotians.

EDF has a 30 per cent stake in the hydro power project that is estimated to cost US$1 billion. A Thai consortium of Ital-Thai, Jasmine and Phattra Thanakit has 36 per cent and Transfield has 10 per cent.

The "heads of the agreement" is essential because it backs up applications from the Laotian government and the consortium for loans amounting to some $750 million baht from international lenders.

Under the heads of the agreement, EGAT agreed to buy the entire output from the Nam Theun II project—some 600 megawatts—at the base 1994 price of 4.56 US cents per unit, plus annual price escalation, for a period of 25 years.

Governor Rules Out Change in Currency Policy

BK1603151295 Bangkok THE NATION in English 16 Mar 95 pp A1, A2

[Report by Phana Chanwirot]

[FBIS Transcribed Text] The Bank of Thailand has no policy whatsoever to adjust the basket of currencies to which the baht is tied as any change would only result in more foreign exchange volatility, central bank governor Wichit Suphinit said yesterday.

His statement, in a telephone interview with THE NATION, is aimed at dispelling fears in financial markets that the value of the baht against major currencies might be changed.

"We are still doing very well. Export is growing at 22 per cent," he emphasized.

Wichit also warned commercial banks not to rely on fund mobilization through the interbank and foreign exchange markets as the risks are too great at the present time.

The central bank governor said the decision on Tuesday evening to reduce the initial margin to 40 per cent to help boost liquidity for stock investment would be only temporary, and was decided after an assessment that the Thai stock market has not been performing as well as other regional bourses.

Wichit said other countries in Asia are not subject to persistent and biased rumours of currency devaluation as is Thailand, which came about following the mid-January Mexican currency crisis.

"We (the Stock Exchange of Thailand) [SET] have not done as well as others. The reduction in the initial margin is to help boost confidence, but this is only a temporary measure," he said.

Margin lending on the stock exchange is estimated to be 12-13 per cent of the total credit extended by finance companies.

Wichit reiterated the central bank position of maintaining a tight monetary policy and to ensure that financial resources flow to the most productive sector of the economy.

A number of commercial banks have raised savings rates to attract deposits. Wichit said local financial institutions should rely more on domestic deposits and not foreign loans or the short term interbank markets which are subject to large volatility.

The governor also dismissed the claim that the central bank has not done enough to provide liquidity to the financial system. "We have continuously injected funds into the money market since mid- January."

Wichit's statements underscore the increasing complexity of monetary management due to the growing links between the money market, the foreign exchange market and the stock market.

The environment has become more apparent following the Mexican peso crisis, when the Thai financial system came under severe pressure. Thai authorities have since January launched a full scale campaign to refute any notion that Thailand is under any pressure to devalue its currency.

But foreign investors, especially those in the foreign exchange market, remain edgy. The outflows of foreign investment in Thai equities are continuing as the situation is also compounded by the Barings fiasco.

Coupled with the rise in interest rates, the financial market is facing tight liquidity. For example, on Tuesday, the decision by Krung Thai Bank to raise new capital caused a further fall on the SET index. "It put nails in the coffin as the market has no liquidity," a trader said.

Wichit said the tight money situation is also the result of foreign investors acting with great caution not to bring US dollars into Thailand in case the greenback should rebound after it hit a record low against the Japanese yen 10 days ago.

The official baht/US dollar exchange rate yesterday was [Thai baht] Bt24.77.

The Bank of Thailand has been accommodating to prevent domestic interest rates from fluctuating too much. The commercial banks must help by mobilizing more domestic savings and they should not rely on the interbank or foreign exchange markets.

Wichit reiterated that the Bank of Thailand does not have a policy to alter the basket of currencies to which the baht is tied in order to make the baht weak against the US dollar.

"There is no justification for changing the weight of the basket of currencies. We must maintain balance in our external accounts. A change in the weight would only lead to more volatility."

He said since January the baht has appreciated only 1.3 per cent against the US dollar while it fell by an average of 7.8 per cent against the Japanese yen and the German mark.

Editorial Supports Decision on Stock Trade

BK1703120495 Bangkok THE NATION in English 16 Mar 95 p A4

[Editorial: "Monetary Police in an Uncertain Era"]

[FBIS Transcribed Text] The joint decision by the Bank of Thailand and the Securities and Exchange Commission Tuesday evening to support the stock market by reducing the so-called initial margin, which is the amount of cash which must be placed to obtain loans for stock investment, is timely and welcomed.

But the decision was understood to merely be a psychological boost to the Stock Exchange of Thailand because the reasons behind the bearish sentiment of the market are attributed to factors beyond the control of Thai authorities in the short term.

Wichit Suphinit, governor of the central bank, insisted that the Bank of Thailand is not about to trade off support for the stock market for macroeconomic stability in the country. He said reduction in the initial margin to 40 per cent will only be a temporary one.

The Bank of Thailand wants to keep monetary policy tight. This means that it wishes to see higher interest rates. Because the international financial scene is volatile and risky at the moment, the central bank does not want Thai banks to be reliant on funding from overseas or from the short term money market. Instead they should depend on domestic savings.

Interest rates have been rising. We will have to wait for official data whether this has been successful in attracting domestic savings, even if it means a switch from investment in the equity market. The high interest rates ought to also attract foreign capital inflows, to nurture liquidity in the Thai economy which faces excess investment over savings.

It is a balancing act. Interest rates must not become too high so as to hurt the real economic sectors vital in creating jobs and wealth for the nation on the long term basis.

The snag at the moment is that the high interest rates, which may mean an outflow from the stock market, has not led to stability in the flows of capital. The central bank in fact has to make liquidity accommodation. The reason why capital inflows have been sagging can be attributed to the fluctuations in the exchange rate of the US dollar.

The greenback has fallen to a record low against other major currencies like the Japanese yen and the German mark, in the past two weeks. According to the basket of currencies which the baht is tied to, the fall in the US dollar against other currencies will mean an appreciation of the Thai baht.

Since mid January, the baht has appreciated 1.3 per cent against the US dollar and depreciated around 7.8 per cent against the German mark and the Japanese yen. The fact that the baht has not moved very much against the US dollar should be reassuring for Thai exporters and importers, both of whom are catalysts for the well- being of the Thai economy. They still trade mostly in greenbacks.

The outcome of the value of the US dollar will depend on decisions to be made by central banks in Germany, Japan, the United States and other major European cities. It is something we have to accept as a fact of life in the era of financial globalization. But we should not panic and become emotional.

The real economic sector needs a certain@ amount of stability. In contrast, the stock market always seems to be quit@ emotional in seeking assistance all the time from the authorities. The initial margin reduction was a compromise which the central bank had to make. The capital market may be important to Thai companies as a medium for raisin@ funds, but it has to be borne in mind that it is also vulnerable to speculative forces—something which companies with strong fundamentals can do without if they had a choice.

All in all, it is a question of fairness Some may ask why help the capita market but not the real economic sector which has to tolerate high interest rates?

The decision to reduce the initial margin was a difficult one for the monetary authorities. But they must withstand the pressure not to sacrifice economic stability for short term gains.

What we need to watch for now is the trend of the trading world steadily weaning itself from the US dollar. This may lead to a change in monetary and fiscal strategy, but the real goal of financial stability still remains the same. This is why Wichit was adamant in saying that the basket of currencies which the baht is tied to should not be changed since it would lead to more market volatility.

Vietnam

Hai Hung Site Yields Possible U.S. Remains

BK1703103895 Hanoi Voice of Vietnam in English 1000 GMT 17 Mar 95

[FBIS Transcribed Text] A senior U.S. official inspected a piece of fire-blackened breast bone that was unearthed on Tuesday in a rice paddy where an American bomber crashed during the war for (?reunification), killing its crew.

The site in Hai Hung Province, 55 km east of Hanoi, is one of several sites where joint U.S.-Vietnamese field teams working since 16 February have been recovering remains believed to be those of American servicemen.

Joint Commission With Laos Opens Session

Meeting Outlined

BK1503015995 Hanoi VNA in English 0705 GMT 14 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 14—The Vietnam-Laos Inter-Governmental Commission for Economic, Cultural, Scientific and Technological Cooperation opened its 17th session here yesterday to review the implementation of the cooperation agreement signed between the two governments last year and discuss measures to strengthen and promote the bilateral cooperation in 1995 and from 1996 to 2000. Phan Van Khai, deputy prime minister, chairman of the Vietnamese sub-commissions and head of the Vietnamese delegation to the session, and his Lao counterpart, Mr. Khamphoui Kaoboualapha, head of the Lao delegatioin to the session, addressed the opening meeting.

Deputy P.M. Khai affirmed that this meeting aims to give full details on the directions for economic, cultural and scientific cooperation in 1995 initiated by the political bureaus of the Communist Party of Vietnam and the Lao People's Revolutionary Party in their January meeting with a view t consolidating and promoting the friendship, special and comprehensive cooperation between the two nations.

He proposed the direction for bilateral cooperation in 1995 on various fields including personnel training, expertise agriculture, commnications, energy, and exploitation and protection of natural resources.

For his part, the Lao Deputy P.M. Mr. Khamphoui Keoboualapha, spoke of the encouraging achievements and outstanding problems in the socio-economic development of Laos; he expressed thanks to Vietnam for its support and assistance which, he said, closely linked with Laos's achievements in the current renovation and socio-economic development.

The two sides expressed satisfaction with their past projects and agreed upon further development in the years to come. Deputy Prime Minister Khamphoui Keoboualapha and other members of the Lao delegation were received yesterday by party General Secretary Do Muoi and Prime Minister Vo Van Kiet.

Officials Receive Lao Delegation

BK1603091495 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 13 Mar 95

[FBIS Translated Text] On 13 March in Hanoi, General Secretary Do Muoi and Prime Minister Vo Van Kiet cordially received Deputy Prime Minister Khamphoui Kaoboualapha and members of the Lao People's Democratic Republic [LPDR] delegation now attending the 17th session of the Vietnam-Laos Inter-Governmental Commission.

General Secretary Do Muoi and Prime Minister Vo Van Kiet took into account and appreciated the efforts of the two governments to expand economic, cultural, and scientific-technical cooperation last year. He expressed his hope that members of the Vietnam-Laos Inter-Governmental Commission would continue their activities to accelerate the implementation of the already formulated cooperation programs. This is based on the potentialities and strong points of the two countries and in accordance with the goals of practicality, effectiveness, and mutual benefit, regarding this as a practical move to implement the agreement reached between the two political bureaus and parties at this early spring meeting, thus contributing to the consolidation of the special friendship, solidarity, and comprehensive cooperation between the two countries.

General Secretary Do Muoi and Prime Minister Vo Van Kiet asked Deputy Prime Minister Khamphoui Kaoboualapha to convey their thanks and best wishes for good health to the comrade Lao party, state, and government leaders.

Comprehensive Cooperation Pact Signed

BK1703102895 Hanoi VNA in English 1436 GMT 15 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 15—An agreement on a strategy for economic, cultural, scientific and technological cooperation between Vietnam and Laos into the next century was signed here today.

Signatories were Deputy Prime Minister Phan Van Khai and his Lao counterpart Khamphoui Keoboualapha. The document points out the fundamental views, direction and major contents of the two countries' cooperation with the common target of effectively implementing socio-economic development strategies of each country in the time to come, accelerating the renovation process in each country and tightening their special solidarity, friendship and all- sided cooperation.

The two deputy prime ministers also signed an agreement on economic, cultural, scientific and technological cooperation between the two governments in 1995. The signing were made during the closing session today of the 17th meeting of the Vietnam-Laos Inter-Government Commission for Economic, Cultural, Scientific and Technological Cooperation.

On Tuesday the Lao delegation headed by Deputy Prime Minister Keoboualapha visited the port city of Haiphong and had a working session with the senior officials of the city. The Lao guests left for home this afternoon.

Vu Khoan Reviews Thai-SRV Joint Committee

BK1603131095 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 14 Mar 95

[Interview with Deputy Foreign Minister Vu Khoan by an unidentified NHAN DAN correspondent; date and place not given—read by announcer]

[FBIS Translated Text] [Correspondent] Comrade, would you please tell us about the origin of the Thailand-Vietnam Joint Committee that just met in Phuket, Thailand?

[Vu Khoan] In recent years, while our ties with Thailand have constantly improved, a problem has developed and caused concern for both sides, namely the disorderly fishing activities in the Gulf of Thailand that has led to a not-too-small number of violations against sea areas and even incidents involving the armed forces that might lead to the danger of conflicts. Faced with that and taking advantage of Prime Minister Chuan Likphai's friendship visit to our country, Prime Minister Vo Van Kiet proposed the formation of a committee to discuss measures to restore order and maintain stability in keeping with the ongoing trend of friendship and cooperation. This meeting is to further that agreement between the two prime ministers.

[Correspondent] In your opinion, what are the results of the meeting?

[Vu Khoan] This is a very complicated problem. It is impossible to resolve all aspects of this issue in a single meeting. Nonetheless, against the new backdrop of bilateral ties, the meeting took place in an atmosphere of straigthforwardness and friendship. Consensus was reached on many issues. As far as the restoration of order in the Gulf of Thailand is concerned, I believe there is mutual understanding based on the following three basic principles:

First, it is necessary to try by all means to restore order on the basis of respect for each country's territorial waters and interests, thus contributing to maintaining stability and broadening cooperation between the two countries.

Secondly, due efforts must be made to avoid using the armed forces like the air force and navy because this could lead to the danger of conflicts.

Thirdly, any violation should be dealt with according to each country's laws, as well as international laws and common practices, and at the same time, it is important to take into consideration the interests of both countries in cooperation for development.

Based on the above-mentioned principles, the two sides have agreed to educate and see to it that their fishermen respect the other country's sea areas. Thailand has made it known that its policy is not to use the air force and navy to escort fishing boats. Furthermore, it expressed interest in the formation of a common control mechanism to avoid conflicts.

Our side gave a clear explanation of Vietnam's policy of adopting administrative measures against violators and concurred with consular procedures that conform with international laws and common practices, as well as with our state's consular regulations.

The two sides unanimously agreed to use this committee and other agencies concerned where direct contacts are already in place to resolve regrettable incidents.

[Correspondent] On bilateral cooperation in sea products, what are the issues that the two sides have reached consensus on?

[Vu Khoan] Both sides shared the views that cooperation should be promoted, and as an immediate objective, in aquaculture, processing, infrastructure building, scientific research, and training of cadres for the sea products sector. They agreed in principle to cooperate in surveying sea products sources, first of all, in the overlapping sea areas relating to the two countries in the Gulf of Thailand, making use of SEAFDEC [Southeast Asia Fisheries Development Center], an organization for fishery cooperation in Southeast Asia, of which both countries are members. The Thai side wishes to create a fund to help us with the training of cadres for our sea products sector. The two countries' sea products sectors will meet to discuss concrete issues and measures.

I believe the restoration of order in the Gulf of Thailand will create favorable conditions for the broadening of cooperation, including cooperation in sea products, and will benefit each country's stability and prosperity.

Radio Reviews Bilateral Relations With Libya

BK1703120995 Hanoi Voice of Vietnam in English 1000 GMT 15 Mar 95

[Unattributed commentary]

[FBIS Transcribed Text] Today 20 years ago, Vietnam and Libya established official diplomatic relations. Over the past 20 years, bilateral relationship has been maintained and developed for mutual benefits and for peace and development the world over. Despite economic difficulties faced by both countries, great efforts have been made to seek appropriate measures in orientations to make their bilateral ties prosper. In recent years in particular, the two countries have exchanged visits of high-ranking delegations and businesspeople to discuss economic cooperation. The sixth session of the Vietnam-Libya Intergovernmental Commission for Economic, Cultural, Scientific, and Technological Cooperation was held in Hanoi on 25 September 1994. The two sides agreed that consensus reached at the previous sessions had been strictly implemented.

Vietnam has made active commitment to provide Libya with such items as rice, readymade garments, tea, sea fish; and Libya highly values Vietnamese guest workers on the first contract in Libya, which has helped bring high economic values. At present there are more than 3,000 Vietnamese guest workers in Libya engaged mostly in construction, machinery assembly, and telecommunications. By the end of this year, this figure will increase. Libya is considering extending scope of work for Vietnamese workers. Vietnam Transport Corporation, known as Vinawaco, under the Ministry of Transport is exploring to take part in bidding for construction of a fish port in Libya. Vietnam and Libya are about to sign an agreement on investment encouragement and protection, an agreement on avoidance of double taxation, and a consulate agreement on the program of cultural cooperation.

A delegation of Vietnam's National Assembly led by Vice Chairman Nguyen Ha Phan has concluded an official visit to Libya. This marks a new step of development in the relationship between the two national assemblies. During its stay in Libya from 10 to 13 March, the delegation toured some economic and transport establishments in Tripoli and some other localities. The delegation was received by Libyan parliament speaker Muhammad al-Zanati, in which the two sides discussed strengthening friendship and cooperation between the two legislative bodies. It is hoped this will lay a ground for further ties between Vietnam and Libya.

Vo Van Kiet Addresses Southern Businessmen

BK1603155095 Hanoi VIETNAM INVESTMENT REVIEW in English 13-19 Feb 95 pp 1, 2

[Report by Nguyen Van Phu]

[FBIS Transcribed Text] Prime Minister Vo Van Kiet urged Vietnamese enterprises to join forces in joint ventures with foreign companies in order to raise their share of ownership.

Addressing 377 southern Vietnam company representatives during a regional meeting last week, Premier Kiet recommended that private businesses pool their capital and resources together to forge stronger local partners in foreign-invested projects.

At present, the typical ratio of capital share stands at 30 percent for the Vietnamese partner.

"We must tap all sources of capital even from the workers, to create a balanced stance with foreign investors" Kiet said. The Prime Minister encouraged companies to open sales of company shares to employees in order to raise quick capital. He commended the

Southern Steel Corporation for embracing this tactic before committing to a joint venture deal with a foreign company.

"This manner of boosting capital will augment the current capital ratio from 30 to 40 and even 60 per cent," Kiet beamed. "With this method, you won't have to worry about bank loans and shortage of capital."

Vietnamese enterprises should make an effort to spread their activities throughout the country, the prime minister also said. Companies must not limit their operations exclusively to their neighborhood but should take advantage of the special economic areas laid out by the government. Three such strategic areas are Hanoi-Hai Phong-Quang Ninh in the north, Dung Quat-Da Nang in the center, and the Ho Chi Minh City-Bien Hoa-Vung Tau in the south.

"Vietnamese companies must be brave and initiative," said Kiet. "They should arrive at the scene early enough when everything remains cheap and opportunities abound. Otherwise they will lose out to foreign competitors."

The first two industrial zones in Hai Phong and Long Binh recently put out the welcome mats to both local and foreign investors. However, interest seems to lie primarily within the foreign camps. "Vietnamese enterprises should invest in these industrial zones because we certainly don't want these zones to he exclusively for foreign firms," urged Kiet.

Business representatives attending the meeting complained about the shortage of capital. Vietcochamber [Vietnam Chamber of Commerce] Chairman Doan Duy Thanh, speaking on behalf of northern companies, confirmed that 30-40 percent of local businesses suffered from this acute financial drought.

Banking interest rates, currently at 1.6-2.1 percent monthly, are too high for these enterprises, Thanh noted. Moreover, mid-term and long-term loans are not available to these enterprises. Some state-owned companies have reverted back to asking the government for subsidies to use as capital.

Equitization is one solution. "It is very easy to call for more capital now that we are a joint stock company" said Mai Thanh, Director of the Ree Company, one of Vietnam's first fully private enterprises. Ever since equitization, the company doubled its production. But more equitized entities are required before a Vietnamese stock market can be realized, said Mai Thanh whose company stocks quietly sit of the shelf for the time being.

Public notaries, according to Mai Thanh do not formally recognize the ownership of shareholders when they used their shares for bank collateral.

Premier Kiet favors equitization, citing the example of the Bim Son Cement project which easily mobilized VND [Vietnamese dong] 70 billion (US$6.36 million) after having asked its workers to buy shares of the company.

High taxes were another grievance brought to attention by those attending the meeting. One businessman lamented the 35 percent profit tax imposed on Vietnamese businesses as unfair when foreigners are only subject to a 10-20 per cent rate. High tax rates directly affect the inflation of interest rates, according to Nguyen Duy Lo, an official at Vietcombank [Vietnam Commercial Bank]. "The only way to lower the interest rate is to lower the taxes that banks have to pay" Lo said.

Presently, the bank faces three taxes: Turnover, profit and surcharges (35, 45 and 25 per cent respectively).

Vietcochamber's Thanh admitted that some enterprises had to evade tax in order to keep afloat. To aggravate the problem, the frequent changes in the tax code has made it difficult for businesses to devise long-term plans.

While confirming the difficulties, Kiet asked Vietnamese business people to compare the current situation with that of four years ago and to continue forward in 1995. "I think as the system is not yet perfect, with changes yet to be made, you must make use of your active adaptation for more development this year." the prime minister said. Prime Minister Kiet pledged that the government would strive for administrative reforms to cut away bureaucracy and red tape while new laws to assist local banks and businesses will be urgently advanced. With Vietnam's coming entry into ASEAN, the country needs to accelerate reforms in order no to lag behind other nations in the region. "The distance or proximity between Vietnam and other ASEAN nations depends largely on your efforts." Kiet said.

Deputy Minister Discusses Technology Transfer

BK1603155395 Hanoi VIETNAM INVESTMENT REVIEW in English 13-19 Feb 95 p 16

[Interview with Le Qui An, deputy minister of science, technology, and the environment, by Thai Ha; place, date not given: "Technology transfer a vital ingredient to investment success"—passages within slantlines published in boldface]

[FBIS Transcribed Text] **How can foreign investment be best used to facilitate technology transfer?**

Excluding Vietnamese enterprises importing equipment and technology from overseas, technology transfer into Vietnam through foreign direct investment has been carried out under joint venture projects or 100 percent foreign-invested companies or business cooperation contracts.

Most technology transferred into Vietnam is not new to many countries but still better than what was available here.

High technology has been introduced to the oil and telecommunications sectors and in some large-scale cement factories and other industries.

However, due to the present conditions, the results of technology transfer have not been as good as expected.

Foreigners investing in our country want a profitable return. We want to cooperate with foreign investors in order to develop our country's society and economy as well as to upgrade our technology.

We have a policy to encourage the application of modern technology to make our products competitive in world markets—such as the case with large cement factories.

But we also have to accept that technology used in producing consumer goods overseas is still better than we have here.

However, some joint ventures and Vietnamese companies have imported and installed obsolete technology and old equipment. Foreign-invested projects must abide by the technology transfer law and follow decrees and instructions. The content of technology transfer has been regulated in official documents and must be clearly shown in technology-transfer contracts. Some companies have taken a very long time to reach agreement and approval, mainly because their technology transfer contracts remain unclear and because the partners are still negotiating the costs of equipment to be transferred.

Some contracts have not been honored. For example, a contract may stipulate importing new equipment, but instead reconditioned second-hand equipment arrives.

The Ministry of Science, Technology and Environment (MOSTE) is the government organization responsible for evaluating technology and environment for investment projects. What are the pros and cons involved in this function?

MOSTE is responsible for considering an investment project's technological and environmental aspects. We study project files sent by the SCCI [State Committee for Cooperation and Investment], then give an opinion, evaluation, and recommendation. We do not work directly with the potential investors except when the employers require we work with them to clarify the content of an agreement, when agreement has not been reached on technology transfer, or when evaluating the environmental impact of a complicated project, like oil and mineral exploitation projects.

The environmental side is a new issue in our country. We have some regulations on the environment, but the law on environment protection was approved by the National Assembly only at the end of 1993. Many investors want to avoid this issue because they do not want to spend more money to control pollution.

We have specific regulations on environmental issues and standards. In order to simplify the environment impact assessment procedure, we recently clarified those projects that are not required to submit environmental plans.

But employers are asked to respect environmental regulations and standards.

For projects required to submit environmental impact reports, the evaluation and inspection of the report will be expedited through central and local channels.

MOSTE need not have a staff specialized in every form of industry. For complicated environmental issues, a council of experts will help the ministry to consider the issue and make recommendations.

Your current staff was largely trained in socialist countries where there are now limitations on retraining. How will Vietnam train expert staff for the future?

The most important thing is that our technical staff have a basic knowledge of issues in technology and environment. This can always be upgraded through training and experience, especially through self-learning. In fact, many scientific staff who were trained in-country have become experts in their respective fields.

In general, however, we still lack information on technology, especially information on the technology market.

In order to overcome this, our staff will be encouraged to continue studies and learn from overseas experts through scientific technology cooperation. If we do not have qualified experts then overseas experts or consultants will be asked to help.

In addition, we also need to take advantage of domestic information, organizations and existing data bases.

The task which MOSTE and the SCCI have not tackled, mainly due to financial and manpower shortages, is the inspection of joint ventures implementing technology-transfer and environmental commitments. The investment project's implementation can be fully evaluated only when we have the resources to enforce the laws.

Vo Van Kiet Orders Economic Sector Surveys

BK1703101995 Hanoi VNA in English 1211 GMT 15 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 15—The prime minister on March 13 issued a decision to carry out surveys of economic and administrative establishments of all economic sectors in the country.

Excluded are economic units of the branches of agriculture, forestry and fisheries which were subject to surveys in 1994.

The surveys, which will last from July to October, will focus on common norms, general point and data in labour and finance of the target units. The results, used for the designing and planning of the five-year national socio-economic development strategy from 1996-2000, will be made known in mid-1996.

Vo Van Kiet Visits Ha Tay Province

BK1703103595 Hanoi VNA in English 1236 GMT 15 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 15—Prime Minister Vo Van Kiet on March 15 visited Ha Tay

Province, southwest of Hanoi, to evaluate a local socio-economic development master plan for the 1995-2010 period.

Speaking on this occasion, Vo Van Kiet said at present as well as in the future, the socio-economic development of ha tay must be linked with that of Hanoi and the Hanoi-Haiphong-Quang Ninh economic triangle, the most important economic area in the north.

Earlier, the prime minister had evaluated a master plan to turn the Ba Vi mountain area in the province into a tourist and health resort complex. The complex is scheduled to include construction of a national university centre and a village featuring different cultures of various ethnic minorities.

President Le Duc Anh Visits Ha Tinh Province

BK1603160895 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 13 Mar 95

[FBIS Summary] "President Le Duc Anh visited Ha Tinh Province on 9 and 10 March. The president burnt incense at the memorial house for Comrade Tran Phu, the first general secretary of our party, in Tung Anh Village of Duc Tho District; toured the Thuan Loc Brick and Tile Enterprise and Hong Linh Town; and visited the cadres and soldiers of the Armed Forces, public security force, and border defense force of Ha Tinh Province, and the Ho Do bridge building project in Thach Ha District."

While visiting and presenting gifts to Mrs. Nguyen Thi Em, a resident of Ha Tinh provincial city, who had just been awarded the Vietnamese Hero Mother title, the president praised Mrs. Nguyen Thi Em for her contributions to the revolution and wished her good health and long live.

"The leading comrades of the party organization and the administration of Ha Tinh Province briefed President Le Duc Anh on the local socioeconomic situation over the past three years since the province was reorganized, saying Ha Tinh Province has achieved comprehensive development in various areas—economic, social, security, and national defense."

They said the province has changed its economic structure in the direction of industrialization and modernization, especially in agricultural production; has concentrated on changing its crop patterns to avoid natural calamities; and has expanded its irrigated crop areas. As a result, "in 1994, Ha Tinh harvested over 350,000 tons of food grain, an increase of 110,000 tons over 1991."

The province has also stepped up horticulture, reforestation, and animal husbandry. In mountain deer farming, the province has succeeded in increasing its mountain deer population from 3,500 head in 1991 to nearly 6,000 head at present.

"Industrially, starting from scratch, Ha Tinh has developed a number of establishments specialized in exploiting mineral ores, producing construction materials, and processing farm produce, seafood, and fertilizers."

"It is reported that hundreds of kilometers of roads have been repaired, upgraded, or built; that 70 percent of the villages and wards in the province have had electricity; and that a modern communications system has taken shape."

Speaking to the leading cadres of the province, President Le Duc Anh hailed the province for "having made progress in economic construction, especially for having linked economic construction with the consolidation of national defense and security."

He urged them to pay more attention to grain production, to train personnel to help peasants with farm production, to carry out party building with the emphasis placed on consolidating grass-roots party chapters and party organizations, and to care for the people's health and education.

He concluded by advising that "it is necessary to launch among the people a movement of revolutionary action. This is to encourage them to think and to carry out various party resolutions in a voluntary and enthusiastic fashion. Only through this can we help Ha Tinh gain strong momentum to surge forward."

Canadian Senior Official Concludes Visit

BK1703120795 Hanoi VNA in English 0650 GMT 16 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 16—Mr. Gary Smith, acting assistant deputy minister for Asia and the Pacific Department of Foreign Affairs and International Trade of the Canadian Government concluded a successful week-long visit to Vietnam today.

While here Mr. Gary Smith and Vietnam's Deputy Foreign Minister Nguyen Dy Nien held formal political consultations on March 14. These annual consultations covered a broad spectrum of topics, ranging from bilateral political and economic relations, and common regional issues to consular, immigration and cultural links and other matters of mutual interest.

During his visit, Mr Smith met with Cabinet Minister Le Xuan Trinh, head of the Government Office to review the (?major) development cooperation programme between the two countries. He also had working sessions with the Ministry of Trade, the State Planning Committee and the State Committee for Cooperation and Investment in Hanoi, and the people's committee, the power company No. 2 in Ho Chi Minh City.

Mr. Smith handed over the Canadian draft of an air services agreement between Vietnam and Canada to Mr. Nguyen Hong Nhi, director of the Vietnam Civil Aviation Department. This document is expected to be finalised in the near future, paving the way for direct air service between the two countries.

Foreign Minister Meets With Thai Counterpart

BK1603153495 Hanoi VNA in English 0650 GMT 16 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 16—Vietnamese Foreign Minister Mr. Nguyen Manh Cam and his Thai counterpart, Mr. Krasae Channawong, on March 14 in Bangkok (Thailand) where he made a stop-over on his way to South Africa. [sentence as received]

The two foreign ministers exchanged views on issues of common concern relating to the relations of the two countries and the region. They described the friendly and cooperative relations between Vietnam and Thailand as an important factor for peace, stability, cooperation and development in the region.

The Thai foreign minister highly appreciated the achievements recorded by the Vietnamese people in the recent past and affirmed the Thai Government's policy to further develop its cooperation with and assitance to Vietnam. He expressed thanks to the Vietnamese chief diplomat for his invitation for a visit to Vietnam and pledged to come to Vietnam soon.

National Assembly Delegations Conclude Visits

Group Returns From Europe

BK1503021995 Hanoi VNA in English 0705 GMT 14 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 14—National Assembly [NA] Nong Duc Manh has made a successful tour of the European Parliament, Belgium, the Czech Republic and Slovakia. His visit was aimed to promote the friendly and cooperative relationships between Vietnam and the host countries, said Mr. Tran Van Phac.

In an interview with VIETNAM NEWS AGENCY yesterday, Mr. Tran Van Phac, deputy head of the NA External Relations Commission and member of the NA delegation, which has just returned from the Europe trip, recalled that during the visit, the Vietnam NA delegation exchanged views with leaders of the European Parliament, Belgium, Czech Republic, and Slovakia with a view to strengthening their mutual understanding and trust as well as multi-sided bilateral cooperation, particularly in economy, commerce, culture, science and technology.

Mr. Phac rejected all foreign reports about the Vietnamese delegation receiving a list of over 1,000 political prisoners in Vietnam from Czech Agriculture Minister Josef Lux. Mr Phac affirmed that during their visit Chairman Nong Duc Manh and his party did not receive any list which some foreign news and radio agencies cited 'a list of political prisoners from the Czech side. 'These reports are untrue and ill-intentioned', he stressed.

'After the talks between the Vietnamese and Czech NA delegations, chairman of the Czech National Assembly Mr Milan Uhde reaffirmed in an intermiew with the press that there is no violation of human rights in Vietnam', Mr Phac said.

Delegation Ends Visit to Libya

BK1503061495 Hanoi VNA in English 1441 GMT 14 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 14—A delegation of the National Assembly [NA] of Vietnam led by Mr. Nguyen Ha Phan, Politburo member and secretary of the Communist Party of Vietnam Central Committee and vice chairman of the NA on March 12 concluded three days friendly visit to Libya.

While there, the Vietnamese NA delegation was received by General Secretariat of the General People's Congress of Libya Mr. Al-Zanati Muhammad al-Zanati. During the reception, the two sides discussed the promotion of the friendship and cooperation between the two legislatures.

The Vietnamese guests toured some cultural and economic establishments in Tripoli capital and some localities in Libya.

Army Newspaper Views Human Rights Issue

BK1703121295 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 15 Mar 95

[Article by Bui Quang from QUAN DOI NHAN, publication date not given: "The Human Rights Issue and Hostile Forces' Peaceful Evolution Strategy Against Vietnam"]

[FBIS Translated Text] The human rights issue has drawn much attention from broad sections of world public opinion. In recent years, the world imperialist and reactionary forces have tried by all means to use the human rights issue as an important instrument to undermine and intervene in the internal affairs of many countries. Vietnam, for a long time now, has been the target of the imperialist and reactionary forces' attacks on the human rights front. Those forces have made every effort to coordinate action and take advantage of every opportunity to accuse us of human rights violations. They also have used every loophole to isolate, barricade, and punish our country to make it difficult for our people to implement postwar national reconstruction.

Hostile forces now implement their peaceful evolution strategy against Vietnam and use the human rights issue as an important tool to gradually weaken our strength and undermine our national independence and sovereignty before they move on to overthrow the socialist regime in our country. The experiences from Eastern Europe and the former Soviet Union show us that the enemy uses the human rights issue as a pretext for carrying out agitation and propaganda activities aimed at isolating Vietnam in the world arena and at further aggravating the disagreement and conflicts in our society. This is an issue that the enemy can use as a long-term strategy against Vietnam.

While intensifying anti-Vietnam activities under the pretext of human rights protection, hostile forces have organized international conferences and seminars to accuse Vietnam. Some of those forces have even asked for the formation of a bourgeois democratic system in Vietnam. They have concocted the trick of adopting resolutions on human rights violations by Vietnam and intervened in our internal affairs by demanding the release of those who have been dealt with by the law because of their wrongdoings but labelled by them as prisoners of conscience. They have nurtured the dark scheme of turning the problem of human rights in Vietnam into an international issue to serve as a pretext for conducting propaganda activities aimed at opposing and pressuring Vietnam. A number of countries have condoned the formation of scores of political parties under different names by reactionary Vietnamese in exile to conduct propaganda activities aimed at accusing Vietnam of human rights violations. As examples, one can cite the Alliance of Movements for Freedom and Democracy for Vietnam, Restoration of Vietnam, Committee for Human Rights Protection, and Vietnam Overseas Pen Pal as the most typical organizations. Efforts have been made to exaggerate the notion of democratic freedoms and to initiate many campaigns and movements like Democratic Freedoms, Call of Freedom, Tidal Wave Campaign, Movement for Democratic Elections in Vietnam, International Committee for Free Vietnam, and so forth. They have shifted their demands from individual freedoms to the rights to form parties and organize elections in a bid to topple the Communist Party of Vietnam, abolish the socialist regime, and establish a bourgeois democratic system in our country. They also have organized demonstrations and hunger strikes in front of some international organizations based in the capitals of a number of countries to protest against human rights violations in Vietnam and call on countries and international organizations to pressure Vietnam to give in to their demands.

Dozens of overseas radio stations with Vietnamese language programs target Vietnam with the main themes of their propaganda aimed at smearing Vietnam by exaggerating and distorting shortcomings in the management of various facets of our social life. They hope to find ways to set up counter-balance [doois trongj] forces or movements against the party and the state which will serve as the nucleus of the peaceful evolution plot right inside our society. They try every way to bring into Vietnam tens of thousands of documents with psychologically inspiring contents accusing us of violating human rights. They also distribute letters demanding the release of the lawbreakers, who have been tried in Vietnam in accordance with the law, with the intention of arousing feelings of dissent.

Their activity is great encouragement to those with extreme viewpoints, dissidents, and forces hostile to our regime; it could weaken trust of the policies of the party and the state among a certain portion of the people. The situation also forces us into a position where we have to resist unreasonable demands regarding human rights fabricated from outside for the purpose of smearing Vietnam.

Human rights are a complicated and international issue. The issue has been and is still being exploited by hostile forces in their peaceful evolution plot against us. To counter the plot effectively, our prime tasks are to have thorough awareness of the issue and to organize well our actions to counter the enemy's plot of using human rights against us in the present period. First we have to try to control the security situation of the activities and plots against us on the human rights issue, and coordinate closely between agencies and sectors concerned for a counteraction plan. The state management task in various domains of social life should strictly follow all lines and policies of the party and should be exercised in a lawful manner in order to avoid distortion and denunciation of the enemy. We need to be thoroughly clear on the external and domestic situations, and especially prudent about the tasks of arresting, detaining, and handling law offenders by law enforcement agencies.

We should also closely coordinate between mass media agencies, law enforcement, and other relevant agencies in the effort to actively break all campaigns and plots by hostile forces using the human rights issue against us. We should foresee the situation and launch our propaganda activity in time to invalidate from the start the themes raised by people from the outside. This will lead to our effective contributions to foil the peaceful evolution plot of the hostile forces and to maintain political stability for the success of our renovation undertaking.

* President Discusses Military Downsizing

952E0058A Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Dec 94 pp 7, 8

[Interview with SRV President Le Duc Anh, by unidentified TAP CHI QUOC PHONG TOAN DAN correspondent, on the occasion of the 50th anniversary of the Vietnam People's Army and the All-People National Defense Festival: "Firmly Defend the Socialist Fatherland in Accordance With the Optimal Way"; place and date not given]

[FBIS Translated Text] [TAP CHI QUOC PHONG TOAN DAN] Comrade President of the SRV and former minister of national defense, it is said that you were once a commander, a general who saw action in both wars of resistance, and the commander of an Army group fighting in the war for national defense on the southwestern border and performing international duty to oppose the catastrophe of genocide in a friendly country. Yet, when serving as minister of national defense, you drastically reduced troop strength and carried out strategic adjustments. It seems that there is something paradoxical here in the person of a general born in war, don't you think so?

[Anh] I think that we would not have had to conduct patriotic wars for nearly 50 years if colonialism, imperialism, and other forces had not started the wars of aggression, using war to trample upon our people's aspirations for peace, independence, and freedom. President Ho had proclaimed this to the whole world: "My compatriots and I sincerely want peace. We do not want war." When the French expeditionary corps started a war of aggression throughout our country, President Ho appealed to the entire people: "As we desired peace, we made concessions. But the more we made concessions, the further the French colonialists went because they are resolved to invade our country once again. No! We would rather sacrifice all than lose our country, and we are determined not to be enslaved." That was the main reason compelling our Army and people to carry out the first war of resistance.

The war of resistance against the French colonialists ended in victory with the 1953-1954 Winter-Spring campaign and the glorious decisive battle at Dien Bien Phu. The North was liberated. The possibility of reunifying the country in a peaceful way was ensured by the Geneva Accord, although that agreement did not correctly reflect the magnitude of our people's victory. However, our party, our state, our people, and our armed forces still actively strove to find all peaceful means to build the North and reunify the two parts of the country in accordance with the international community's promise. But the U.S. authorities at that time acted in a way contrary to the idea of peace held by large sections of the American people and the world's people. They cynically undermined the Geneva Accord, carried out aggression, massacred the people in the southern part of our country in a very barbarous manner, and blatantly used their Air Force and Navy to attack the North. That was the sole reason driving our people and armed forces to take up arms to continue fighting against the aggressor U.S. Army. Overcoming the destruction caused by 15 million tons of bombs and shells and toxic chemicals—equivalent to 700 atomic bombs of the kind dropped by the United States on Hiroshima—our Army and people succeeded in achieving the basic objective of protecting the life of the nation and completely liberating the homeland in compliance with President Ho Chi Minh's thought, "Nothing is more precious than independence and freedom," gloriously concluding the anti-U.S. war of resistance for national salvation with the 1975 spring strategic offensive which was unprecedented in the nation's history and which culminated in a campaign named after great President Ho Chi Minh.

With the aggressors completely driven out of the country and the North and the South reunited under the same roof, our entire nation entered a new era, the era of national independence and socialism. But peace had not yet been fully restored when the flames of war of aggression flared up anew at both ends of the country. Once again our people and armed forces had to join a totally unexpected war for national defense to preserve what we had gained with blood and bones during one-third of a century.

All these historical facts mean that our people, party, and state are a peace-loving nation. Because of our deep love for peace, we had to shed blood to win back peace, which the aggressors had undermined. Our Army is a tool for the defense of peace and a product of the struggle for peace, independence, and freedom. It could be said that, by nature the Vietnam People's Army is an army meant to safeguard the peace, independence, and freedom of the people and homeland. A member of our Army, I always show that nature in my thought and action. It is true as Uncle Ho said: "Using the Army is a benevolent and righteous undertaking for the purpose of saving the people and the country." So, there is nothing paradoxical in me.

Therefore, when our country entered the new era, the era of peaceful building of a decent life in freedom and happiness, our party and state decided to reduce the strength of the standing army by two-thirds and to carry our strategic adjustments. This was in response to the urgent requirement of our people, namely to concentrate their efforts on building the country in all respects after it had been drawn into various conflicts for nearly one half century. This was also in conformity with Vietnam's policy of befriending all countries in the world community and contributing to consolidating and developing the trend of detente, dialogue, and cooperation between the states and nations in the region and throughout the world.

However, it is also necessary to clearly realize that, reducing the troop strength of the standing army and making strategic adjustments do not mean to weaken our Army or to make light of the danger of war. On the contrary, we must make our Army stronger than ever before and give the country the strength to defend itself that is far superior to the strength it had during the recent wars. This is the path of renovating the building of the people's Army, renovating the building and consolidation of the all-people national defense, closely combining national defense with security, and closely combining the building of socialism with the defense of the socialist fatherland. This means that our Army and people must make themselves sufficiently strong to firmly defend the fatherland and to protect peace and the building of a prosperous country. At the same time, they must stand ready to victoriously cope with all adventuristic wars of aggression. This is the optimal way to firmly defend the socialist Vietnamese fatherland.

[TAP CHI QUOC PHONG TOAN DAN] Thank you, Comrade President.

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* Evolution of Army Technical Department Viewed

952E0059A Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Dec 94 pp 29, 31

[Article by Lieutenant General Truong Khanh Chau, director of the General Technical Department: "The General Technical Department Further Develops its Tradition of 'Activity, Creativity, and Self-Reliance'"]

[FBIS Translated Text] To carry out the party Central Committee's strategic resolution on military affairs, on 10 September 1974 the prime minister of the government issued a decision establishing the General Technical Department, an organ directly subordinate to the Ministry of National Defense. The founding of the General Technical Department was a new organizational development of the Army, marking a necessary development of the centralized and unified direction of technical work in the Army and creating an important premise for the building of a revolutionary, regular, well-trained, and gradually modernized army later on.

Looking back at the stages it has gone through, we can see that the technical sector has undergone major developments. In the anti-French war of resistance, in spite of an economic situation marked by utter poverty and backwardness and a level of scientific and technological development belonging to the "prehistory of technological evolution"—that is, existing before 1500—we had motivated the people to set up smithies and workshops to produce weapons and equipment by themselves. Hundreds of arms workshops sprang up throughout the country to provide large amounts of weapons and equipment for the armed forces. By groping about, carrying out research, and overcoming difficulties in all fields, we managed to produce "15 models of pistols and submachine guns, 13 models of mortars and bomb launchers, 10 models of grenade launchers and rifle grenades, five models of bazooka or rockets, three models of SKZ recoilless rifles, seven models of SS recoilless rifles, seven models of grenades, seven models of mines, two models of torpedoes or underwater mines..."[1] In particular, in Nam Bo, the weapons sector developed to the point of being lauded as "supremely courageous, incomparably creative..., a sector typifying the spirit of self-reliance, courage, certain victory..."[2] Our nation and people clearly demonstrated their creative talents and self-reliance in making and using weapons and equipment, and even the French colonialists admitted that the Viet Minh "have made a great effort in the field of technical research, showing unmistakable resolve..., have imitated or adapted, with modifications, a large number of classic small arms. They have always produced many inventions and have achieved some perfect projects."[3]

In the war of resistance against the U.S. aggressors, we once again made new strides in procuring equipment and technical support, focusing science and technology on meeting the most pressing demands of the battlefield. We applied the achievements of advanced science and technology by using simple, easy-to-make, easy-to-use technical structures suitable for Vietnam's economic and technological levels but capable of producing high combat efficiency and meeting all technical requirements. We made extraordinary improvements in parts as well as in whole systems and developed the tradition of manufacturing and the technology we used to new levels. In Vietnam, the United States conducted the biggest "technological war" in history. On the battlefield, the United States brought into the fullest play its technological superiority, the might of its modern weapons and techniques, and the superiority of its Air Force, Navy, artillery, and armor in the fight against Vietnam. But all of its experiments in various forms of high-technology (command technology, control technology, communications technology, and intelligence technology—or C^3I, for short—PGM or precision-guided missile technology, and electronics warfare), which were typified by the McNamara electronic barrier, laser-guided bombs, magnetic bombs, B-52 and F-111 bombers..., were all frustrated by the intelligence, creativity, courage, and staunchness of the Vietnamese Army and people. The General Technical Department takes pride in its contributions to that common cause.

In the years of peace, the General Technical Department has quickly renovated the concept and substance of its organization and the mode of its technical operations in conformity with the requirements of its tasks in the new stage. It has worked out and implemented effective measures in the organizational, economic, scientific and technological domains, and has created new bases and conditions for effectively overcoming difficulties to fulfill its tasks, to develop the technical sector, and to build the General Technical Department into an organization strong in all respects. Hundreds of scientific researches have been verified and accepted, and tens of thousands of innovations and inventions have been applied. Tens of thousands of technical officers and middle-rank cadres, tens of thousands of technical equipment operators and technical maintenance workers have been retrained at various schools in the country and of the General Technical Department. We have formulated plans and made in-depth technological investment for repair enterprises, stations, and workshops in the entire Army, and have built numerous research and measurement institutions for various units.... In 1992 and 1993 alone, the General Technical Department successfully directed and developed 12 projects, eight plans, 29 feasibility studies, nine technical work statutes, 12 regulations, and six sets of standards for the technical sector. The department is continuing to refine a number of other orders, rules, and regulations for the sector.

Thus, from the early days—when we had to use spears and broadswords and flintlocks to fight the enemy and to save every penny and bowl of rice in order to buy weapons, and when we fought the first battle at Phay Khat and Na Ngan to seize enemy weapons to arm ourselves—we had advanced to the home-made grenade of Comrade Ngo Gia Kham and the DKZ recoilless rifle of Comrade Tran Dai Nghia in the anti-French war of resistance, and eventually to extremely intelligent, creative solutions in countering and frustrating the U.S. modern warfare.... Every time the revolution developed to a new stage, the General Technical Department unfailingly made appropriate organizational and staffing changes.... But, in any situation, all cadres, combatants, workers, and employees of the department always remained true to the party and people, thoroughly understood the revolutionary line and tasks and their military tasks, satisfactorily performed their function as an advisory body to the Military Commission of the Party Central Committee for technical affairs, and directly led various specialized technical branches in providing timely, sufficient, effective, and homogeneous material and technical support for the armed forces. The technical branches at all levels did a good job of organizing reception of military aid; distributed tens of thousands of tons of weapons and ammunition; received and managed hundreds of airfields, military ports, depots, workshops, and technical stations; recovered tens of thousands of tons of enemy weapons and technical equipment; and directed the building of the system of repair factories and national defense production plants, enabling them to gradually begin production in an efficient manner. All this has helped the technical sector develop a glorious tradition reflected in these golden words, **"activity, creativity, and self-reliance."**

At present, as the People's Armed Forces have to cope with new, historic challenges, the Army's technical sector itself must shoulder weighty responsibilities which are no less difficult, decisive, and complicated than the past challenges. The military technical sector is facing major trials and changes in all the six following fields of activities.

—Concerning materiel procurement: In the past, weapons, materiel, and technical equipment were provided as aid by socialist countries, seized from the enemy, and produced—in a small portion—by us. Today, however, the main sources of weapons, materiel, and technical equipment are the weapons, materiel, and technical equipment currently available, plus an amount produced or purchased by us.

—Concerning technical support: In the past, technical, equipment, spare parts, and material procurement establishments were provided as aid by socialist countries. In addition, there were some depots, stations, and workshops built by ourselves. Nowadays, we have to make our own in-depth technological investment for our installations so that they can provide technical support for our weapons, materiel, and technical equipment.

—Concerning technical training: In the past, we relied mainly on the assistance of socialist countries for technical training, and technical cadres at almost all levels were trained abroad. Today, however, we train all our technical cadres by ourselves, combining this with sending a limited number of personnel overseas on visit-cum-study tours.

—Concerning military scientific and technical research: In the past, we concentrated mainly on utilization research to exploit the capability of foreign weapons, equipment, and techniques, and on research on measures to counter the enemy in war. Today, we must carry out comprehensive research, which includes research into exploiting, improving, and producing weapons, equipment, and techniques, and research on measures to cope with the enemy's high-tech weapons. Military scientific and technical information does not consist only in translating documents; it also requires effort in all domains: translation, compilation, exploitation, and dissemination of information to a number of consumers, and collection of timely and accurate technical intelligence.

—Concerning technical mobilization: In the past, this work was not developed fully and comprehensively. Today, we must carry out technical mobilization right in peacetime according to state regulations in both aspects: one is the mobilization of industry for technical procurement purposes, and the other is the mobilization of technical cadres and personnel and technological equipment to set up technical organs and technical procurement bases of various units newly mobilized under Army mobilization plans.

—Concerning technical management: In the past, technical management was not administered in a systematic, planned manner; it was not mandatory and was done manually. Today, we must manage by means of strategic, long-term, and short-term plans, orders, regulations, laws, and information technology.

Therefore, in view of the new situation and new tasks, now more than ever before the tradition of *"activity, creativity, and self-reliance" must be brought into play and clearly reflected in all operations of the General Technical Department. The department must apply itself to promoting party-building work and strengthening its party organization in all respects—political, ideological, and organizational. It must continue to strengthen the organization and staff of the technical sector, improve its operational mechanism, and ensure unified command, direction, and management of technical work. The General Technical Department must fully exploit and turn to good account the strengths of the country and Army in order to develop, while striving for assistance and cooperation in the technical domain. It must ensure the good maintenance, durability, management, and fullest exploitation of the weapons, equipment, and techniques currently available; it must improve and develop equipment by making it "smart" and modernizing it; and it must gradually achieve homogeneity and unification in military equipment. The General Technical Department must implement the principle of using a mixture of technologies of different levels and using low-tech weapons and equipment as the basis for bringing into full play the strengths of high-tech ones. It must effectively carry our research into enemy weapons in order to successfully cope with all enemies in any eventuality.*

In the immediate future, we will strengthen the repair of weapons and technical equipment; maintain, preserve, and store up our modern and relatively modern weapons and technical equipment still in good condition and precious, hard-to-find materials, spare parts, and components. We will make investments to consolidate and upgrade the system of technical support establishments at all levels. We will reorganize the warehouse system and build depots in accordance with technical requirements to ensure that each of them is a product of a combination of techniques. We will harmoniously combine military-use and civilian-use technologies in carrying out technical tasks. Relying on our internal strengths, and on the basis of preserving and developing the characteristics of Vietnam's own technological civilization, we will gradually create our own military technological capabilities to renovate ourselves step by step and to creatively strive to achieve modernization and standardization in the technical field.

Footnotes

1. *Technological Characteristics of the Weapons and Technical Equipment of the Vietnamese People's Armed Force Through Various Revolutionary Periods*, People's Army Publishing House, Hanoi, 1994, p. 31.

2. Ibid., p. 56.

3. Ibid., p. 32.

Australia

Canada Agrees To Annual Beef Import Quota

BK1503015695 Melbourne Radio Australia in English 0500 GMT 14 Mar 95

[FBIS Transcribed Text] Australia has won a guaranteed slice of Canada's domestic beef market. Australian Trade Minister Bob McMullan says Canada has agreed to his submission for an annual quota of 42,000 tons.

Senator McMullan says after two years of negotiations, the deal ensured guaranteed access and certainty to the beef industry, putting Australia on an equal footing with its competitors.

[Begin McMullan recording] I think it will mean substantially more exports but also much better flow of exports. There won't be the unseemly rush at the beginning of the year as everyone tries to fall over themselves to get into quota arrangements, etc. [end recording]

The Cattle Council of Australia has welcomed the deal, saying 42,000 tons is a good breakthrough which gives the beef industry a very good place to work on in the future.

Envoy Urges Fewer Troops in East Timor

LD1303220395 Melbourne Radio Australia in English 1600 GMT 13 Mar 95

[FBIS Translated Text] Australia's ambassador to Indonesia has urged the armed forces to reduce its troop numbers in East Timor.

After a five-day visit to the former Portuguesea colony, Ambassador Allan Taylor said it was obvious tensions had increased in the territory. From the East Timorese capital, Dili, Michael Maher reports:

[Begin Maher recording] During his five-day stay in East Timor, Ambassador Taylor met a range of military, government, church, and aid officials. After completing his talks the ambassador concluded that it was obvious that tensions in the former Portuguese colony had risen over the past few months. In his discussions the ambassador said he underlined Australia's policy position advocating the need for troop reductions, greater scope for the East Timorese to play a more significant role in the economy and to express their own culture. Mr. Taylor said he'd been told by Indonesian officials that troop reductions would take place. In the matter of increased autonomy for East Timor, which Canberra has also been backing, the ambassador said he couldn't say that he was confident steps in that direction would be taken but added that there appeared to be a willingness to look at different ways of approaching the issues which Indonesia was addressing in East Timor. [end recording]

'Piracy' Hinders Move Into Asian Seed Market

BK1603154495 Sydney THE BULLETIN in English 14 Mar 95 pp 42, 43

[Report by Robert Mayne]

[FBIS Transcribed Text] The potential market in Asia for Australian plant material and seeds is enormous, according to Nick Gardner, Pacific Seeds' international division manager. But there is one big problem—pirates.

Seed pirates are anxious to get their hands on Australian varieties that yield generously, thrive in dry conditions or have other bred-in genetic advantages. The expense in developing these high-performers is considerable—a new wheat variety developed in South Australia recently cost $1 million—and costs are escalating as the war against disease and other plant afflictions continues.

But the benefits of this ongoing research are great. Over the past three decades, the yield from South Australia's wheat crop, 70 percent of which is exported, has been increasing at the rate of 1 percent a year. "It may not sound like much, but 1 percent of 3 million tonnes is worth having," says one South Australian farmer.

Theft: Pacific Seeds, based in Toowoomba, Queensland, is one of Australia's producers of hybrid plants and seeds, a national market worth about $320 million a year, plus $40 million in exports. But the possible theft of costly hybrids or high-yielding seeds means Pacific Seeds, and most of its local competitors, will not go near Asian or other world markets where their work is not protected by intellectual copyright laws and agreements.

In Australia, the Plant Variety Rights, PVR, Act of 1994 covers Plant Breeders' Rights, PBR, and generally works well, according to the industry. But many Asian nations, including China, do not have such laws or the means to enforce the legislation if it is introduced.

The whole spectrum of the protection of intellectual property will be discussed at a three-day conference which will open in Adelaide on March 26.

The conference, "Intellectual Property Law in the Asia-Pacific Region", is being held under the auspices of Lawasia, an organisation of lawyers in the Asia-Pacific area that has traditionally focused on civil liberties and human rights but is becoming more commercial. The conference is the brainchild of South Australian Attorney General Trevor Griffin, who has long maintained an interest in the subject and who has a vested interest in opening up his state's law firms to more international work.

"Our legal profession has always run the risk of missing out on international legal work," he says. "It's been a major source of business complaint from Australia and other countries that China, for example, has not had the necessary laws to protect intellectual property. There is then the issue of enforcement, which is one of the big issues that President Clinton is addressing at the moment. "Griffin cites the example of McDonald's being served with a notice by Beijing city authorities evicting them from a prime site near Tiananmen Square despite being only a few years into a 20-year lease. "That sort of thing is a major issue in a lot of the developing countries where Australian business wishes to trade," he says. "We need to ensure our legal profession across Australia has sufficient capability to be able to deal with these issues."

The stakes are high. The president of Lawasia, Malaysia's Dato Param Cumaraswamy, says that by the middle of the next century more than half the world's income will be generated in Asia. But, Griffin says, the application of intellectual property rights in developing countries must be practical rather than purely legal.

"All the business people I talk to make this point," he says. "They want confidence and assurance that their investment is safe."

The Adelaide conference will cover areas such as technology transfer in Indonesia, Thailand, the Philippines, India, and Sri Lanka, and will also look at computer laws, competition and unfair trading, telecommunications and the protection of confidential information. Delegates will discuss areas as diverse as the protection of native art, music, multimedia developments, and the wine industry.

Mick Lloyd, director of the Plant Variety Rights Office, a division of Canberra's Department of Primary Industries and Energy, will speak at the conference. "PBR is to primary industries what patents and trade marks are to technology and industry, and what copyright is to literature, arts and music," he says. "Most of the economies of the Asia-Pacific region are predominantly primary in nature, which means that PBR is important—and likely to be controversial."

Quirk of nature: A highly evolved soya bean, for example, is one Australian plant property many Asian countries would love to obtain and use without repaying any development costs, let alone sending profits back to Australian companies. Gardner says: "We only target markets that have PBR agreements or, through some quirk of nature, cannot reproduce what we sell them."

The opportunities, however, are there. "China wants to get into the world scene," says Kevin Boyce, program manager, seeds, with the South Australian Department of Primary Industries. "Rightly or wrongly, in the end China will have to play the game with intellectual property and plant rights."

Canberra Defends Level of Aid for Solomons

BK1703111695 Melbourne Radio Australia in English 0500 GMT 16 Mar 95

[FBIS Transcribed Text] Australia has rejected allegations from Solomon Islands that its level of aid is too low and that it is pressuring the country to stop logging. South Pacific correspondent Erina Reddan reports:

[Begin Reddan recording] Solomon Islands' finance minister, Christopher Columbus Abe, told his parliament that Australia's aid to the country is peanuts. He says its particularly small when compared with the trade gap, which is 10 to one in Australia's favor. A spokesperson for Australia's Ministry of Pacific Affairs says Canberra gives A$14 million [Australian dollars] to the Solomons, which is comparable to other Pacific nations of the same size. The spokesperson also rejected Mr. Abe's claims that Australia is pressuring Solomon Islands to stop logging. He says Australia's concern is for non-sustainable logging throughout the whole South Pacific. [end recording]

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